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Abstract

Five papers are presented from a workshop for school business officials. One analyzes the limitations and potential misuses of planning, programming, budgeting systems (PPBS) in education. The second surveys current activity in educational program budgeting with a look to the future. These two presentations are followed by a panel discussion. The third paper is a short presentation of hints and guidelines for school business officials involved in collective negotiations, followed by a question and answer session. The fourth presentation considers the following as major factors to be considered in classified personnel staffing: (1) The goals or policies of the organization, (2) the numerical adequacy of the staff, (3) the kinds of jobs to be performed, and (4) the inservice supervision and evaluation of personnel. The last paper reports the findings of studies on the value and cost of fringe benefits for administrative personnel, teaching personnel, and classified personnel within the western New York school system. A related document is EA 002 147. (DE)

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Workshop for School Business Officials

January 31, 1969

Norton Union

State University of New York at Buffalo

co-sponsored by:

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and

Western New York School Study Council

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The cover design for the Proceedings was executed by Mr. Edward Grey and Mr. James Stamos, Instructional Communication Center, State University of New York at Buffalo.

INTRODUCTION

The Western New York Chapter of the New York State Association of School Business Officials, Inc., and the Western New York School Study Council co-operated in presenting the second annual Workshop for School Business Officials on January 31, 1969 at Norton Union on the campus of the State University of New York at Buffalo. This report of the proceedings contains the program and the text of the several presentations.

The general session in the morning was devoted to two presentations and a reaction panel focusing on the topic "Planning, Programming and Budgeting Systems". The three afternoon presentations dealt with personnel topics. Each session in the afternoon was presented twice.

The success of the workshop was due in no small part to the perceptive work of the planning committee, the members of which are listed below.

Representing the Western New York Chapter, New York State Association of School Business Officials, Inc.:

Mr. Robert Kinney, Business Manager
Clarence Central Schools

Mr. Leo Koester, Administrative Assistant for Business and Plant Management
East Aurora Union Free School District #1

Mr. C. Leon Smith, Administrator of Business and Plant Services
Sweet Home Central Schools

Mr. Ted Surowka, Business Administrator
City School District of Batavia

Representing the Western New York School Study Council:

Dr. Chester Kiser, Council Associate

Mr. John Murphy, Research Assistant

Mr. James R. Spengler, Workshop Coordinator

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ASBO-STUDY COUNCIL
WORKSHOP FOR SCHOOL BUSINESS OFFICIALS
Norton Union
January 31, 1969

Morning Session

8:45 - 9:15 - Registration and Coffee

9:20 - 10:30 - Presiding - James R. Spengler, Workshop Coordinator

Welcome - Dr. Robert W. Heller, Executive Secretary
Western New York School Study Council

Mr. John Bauer, President
Western New York Chapter, ASBO

Presentations on Program Budgeting (Conference Theater)

"Theoretical Bases for Program Budgeting"

Dr. Harry J. Hartley, Chairman
Department of Educational Administration
New York University

"Survey of Current Activity in Educational Program Budgeting and a Look at the Future"

Dr. William Curtis, Director
ASBO Research Corporation

10:30 - 10:45 - Coffee Break (Rooms 233, 234)

10:45 - 11:45 - Comments by reaction panel and questions from audience (Conference Theater)

Reaction Panel

Moderator - Dr. Austin D. Swanson
Associate Professor
Department of Educational Administration
State University of New York at Buffalo

Dr. William E. Keller, Superintendent
Williamsville Central Schools

Dr. Chester Kiser, Associate Professor
Department of Educational Administration
State University of New York at Buffalo

Reaction Panel (Continued)

Mr. Leonard Nieman, CPA
School Business Administrator
Amherst Central Schools

Dr. Robert Harnack, Department Head
Department of Curriculum Development
State University of New York at Buffalo

Mr. Richard Debus, Supervisor
Bureau of General Educational
Management Service
State Education Department

12:00 - 1:00 - Lunch (Rooms 240 - 242)

Afternoon Session. Three topics will be presented. Each workshop participant can choose to attend any two. All topics will be presented 1:15-2:10; 2:15-3:10.

A. Guidelines for School Business Officials in Collective Negotiations (Room 335)

Mr. Robert Russell, President
ITU Local #9 and member
Maryvale Central School District

B. Guidelines for Staffing the Business Services Department (Room 234)

Dr. James B. Boyd and Mr. Emerson W. Mitchell
Engelhardt, Engelhardt and Leggett
Purdy, New York

C. The Western New York School Study Council Fringe Benefit Analysis (Room 233)

Mr. John Bauer, President
Western New York Chapter, ASBO

Mr. Charles Nephew
Assistant Executive Secretary
Western New York School Study Council

Mr. James Spengler, Study Coordinator
Western New York School Study Council

Mr. Robert Komorowski, Assistant Study Coordinator
Western New York School Study Council

THEORETICAL BASES FOR PROGRAM BUDGETING--SOME LIMITATIONS

Dr. Harry J. Hartley, Chairman
Department of Educational Administration and Supervision
New York University

My objective in this paper is to discuss the unholy trinity of planning, programming, and budgeting. The topic of PPBS could be presented to you in at least four different ways. I could: (1) Describe the conceptual-operational properties of PPBS; (2) Portray the advantages offered local schools by PPBS; (3) Identify current projects involving installation of PPBS; or (4) Analyze limitations and potential misuses of PPBS.

I have chosen to direct most of my comments to the fourth category for several reasons.

First, I think that the description of the properties and advantages of PPBS is presented in my writings,* and I do not wish to repeat the discussion here.

Secondly, I think that the other speaker, Dr. Curtis, will focus upon current installation projects. This leaves the topics of limitations of the systems approach and potential misuse of PPBS in education.

My major purpose is to reduce the gap between expectations of administrators and achievements of PPBS. I am concerned that some persons simply have promised "too much too soon" to local school officials. Too many writers in the area of systems analysis have been trying to shed light on what is finally not worth illuminating. They suffer from illusions of adequacy.

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*Harry J. Hartley. Educational Planning-Programming-Budgeting: A Systems Approach. Englewood Ciffs, New Jersey: Prentice-Hall, Inc., 1968.

Let's first consider the notion of "what PPBS is not".

First of all, PPBS is neither a revolution in educational administration nor is it merely a new label for old stale budgeting. I have seen a few districts that think they are moving from program budgeting and they have removed the word "function" and substituted the word "program." They claim to have a program budget. That is a misuse of the notion.

Secondly, PPBS does not imply that the entire output of a school can be quantified and measured. I think that there has been concern by some people that they can quantify everything. That approach is self-defeating.

Thirdly, PPBS is neither a substitute for good management nor a remedy for organizations that do not have sufficient resources to achieve their objectives. By this I mean if you have poor administration in your organization, the kind of budgeting and planning model you use will not make a difference. And if you are in such financial straits now that you cannot accomplish very many of your objectives, you are not very likely to accomplish them.

Fourth, PPBS is not a computer takeover, nor is it a substitute for common sense. The word "program" in the term program budget does not refer to computer budgeting, but rather to the activities of an organization. There is some misunderstanding about this by people indicating a first interest in the subject. It doesn't refer to computer programs. It refers to the programs of an organization, the activities of an organization, that hopefully are fairly clearly defined over a four or five year period.

Finally, this programmatic approach to budgeting is not simply another cost restraint device that sacraficies goal accomplishment for minimum cost considerations.

Now, what is new, and dramatic, about PPBS is how separate concepts that evolved in the past are now being brought together into a single comprehensive package. The notions of planning, programming and budgeting are brought together into an integrative framework. PPBS draws upon earlier budget reforms that were designed to control administrative abuses, provide fiscal accountability, and assess work efficiency, but it adds a new dimension, planning, to the budget process. Program budgeting relates the curricular programs of a school to specific resources that are stated in terms of budget dollars over a stated time period.

Multi-year planning requires horizontal as well as vertical thinking in budget presentation. Too often, we think vertically. We view a budget as an incremental yearly plan and the planning is termed horizontal, where we have to phase out our objectives over a five-year period or so.

The basic distinction I make between conventional school budgets (function-object type) and program budgets is that the former describe what is to be bought (objects purchased) while the latter describe what is to be accomplished (programs performed). The distinction is simple, subtle, and substantial.

The emphasis is on what is to be accomplished rather than what is to be bought. The present format of school budgets is simply a listing of objects to be put into the school. We don't prepare a budget in terms of the curricular program that it is intended to support.

At the risk of over-simplification, it is apparent to many observers that public education is entering a "systems era." The so-called "systems approach", which is actually a composite of a number of planning, procedural, and allocative strategies, has spread rapidly from industry and the federal government to local school districts.

As might be expected, most of the literature describing this new generation of administrative procedures is rather long on persuasion and short on critical appraisal. The net result is that practitioners often do not have adequate information with which to judge the relative worth of some of these new techniques that have been developed.

Now, what I would like to do in the next several paragraphs is to consider some of the major limitations of the systems approach in the context of education. My hope is that this focus on shortcomings will increase your understanding of the PPB System and lead to even wider usage of the emergent systems techniques.[1]

LIMITATIONS

First, there is confusion over terminology. The term "systems analysis," (and of course "PPBS" is one concept within that family) possesses nearly as many definitions as persons that advocate its usage. There are at least sixty different code names for programming or management controls such as systems analysis, operations research, operations analysis, PERT, PPBS, program budgeting, computer assisted instruction, cost effectiveness, and so on. There is a tremendous amount of confusion as to what people mean when they are talking about a systems approach.

Secondly, there are problems in adopting models. We are taking a model that was largely developed in a defense-military-government sector and trying to apply it to education. I am concerned over what is lost in the adaptation process. You can't simply transfer models without making some changes which you deem necessary. I think there appears to be a more clear-cut decision process, or mission process in defense than there is in education. In many ways, education is more complex than defense in specifying objectives and applying resources to these objectives.

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[1] The subsequent discussion of shortcomings of PPBS was adopted from: Harry J. Hartley, "Twelve Hurdles to Clear Before You Take on Systems Analysis," American School Board Journal, July 1, 1968 (Vol. 156, No. 1), pp. 17-18.

Thirdly, I think there are "illusions of adequacy" by experts who think that they can use this model in any kind of an organization. They suffer from illusions of adequacy. I am concerned that elaborate analysis may be based upon very poor data or questionable assumptions. Many of these people are not educators.

Fourth, there has been an inadequate impetus from the states. I think that this relates directly to your own interest as practicing school officials. I am afraid that program budgets or system concepts are not going to be adopted in many of the very small school districts until state departments of education provide support. It is my opinion that individual states will not increase support until at least six conditions are met:

1. Existing experimental projects of higher priority must be completed. In other words, the states are engaged in many experimental projects that occupy higher priority than a program budget model.

2. Regional data processing centers must be established.

3. Mandatory consolidation should be increased in order to reduce the total number of districts. In New York State some people have talked about an eventual number of 500 down from the 760 or so operating now.

4. The advantages of PPBS and other systems procedures will have to be specified to local districts in a very convincing manner. "Why is it better than the existing approach ?"

5. I believe that pilot programs should be developed and conducted to make sure that we have experimented first before adopting it on a state-wide basis. Otherwise, we are going to pursue the old "bandwagon approach" to innovation. We should

not equate something different with something better.

6. I think that the United States Office of Education will have to demonstrate that its own involvement with Operations Analysis was a success. As you know, in the last several years U.S.O.E. installed Operations Analysis procedures rather extensively in its own internal operations. I hope that they distribute information about this.

Let me go on to some other major limitations:

Shortage of trained personnel. Schools generally have inadequate staffs for systems planning, a problem compounded by the fact that many districts lack the financial resources needed for a full-scale installation. Deficiencies also exist in the training programs of school administrators, usage and number of administrative personnel, and the usage of electronic data processing.

Political factors. Because education represents public policy, schools are directly responsive to political elements that can be a strong barrier to systems procedures. The "politics of education," because it is still in a formative stage of development, lacks sufficient critical study. The introduction of systems procedures may cause school officials to make choices between economic desirability and political feasibility. Even though educational planning is amenable to some amount of systems analysis, certain members of local educational power structures may view economic rationality as an infringement upon their domain.

Increased costs. New budgetary systems (PPBS is a good example) are not designed to cut cost. They might, in fact, make costs go up because they require additional personnel, facilities, and hardware. Their value is that they put the budget in focus. The focus is no longer items to be bought, but programs to be accomplished by the district during the coming year.

Goals become distorted. Systems analysts in education are trying to count, to classify, and to measure the outputs of the school. That is an almost positive guarantee of controversy. Who believes that the output of education can ever be quantified completely for analytical purposes? Goals, therefore, can become distorted.

The temptation is to place greater emphasis on obtaining the kinds of goals that are most easily measured, such as cognitive mastery, and to neglect more important goals. How do you measure moral perspective, for example?

Cult of testing. They have probably created more problems than they have resolved, but standardized tests are still used as indicators of system performance. That brings us dangerously close to creating a cult of testing. Testing that is based upon poor instruments, questionable premises, incorrectly interpreted data, and purposely manipulated data can undo - quickly and effectively - all the good afforded by systems procedures. Organizing education in terms of the economic theory of input and output is rather dangerous at a time when our evaluation methods are so primitive. School activities that do not lend themselves to the crude instruments now available for testing get glossed over.

Measurement difficulties. The matching of educational program objectives and performance measures is a good deal more complex than some systems analysts seem to believe. Are not our goals, after all, often matters of rigorous public debate? And are not they, therefore, difficult to measure?

For example: If learning about rock formation is a general objective, and a paper and pencil test shows the objective one hundred per cent accomplished, do we assume that the result was produced by the science teaching program, television at home, the family newspaper, or all three in some combination? Another problem arises if cost-benefit analysis is used to evaluate the programs. The problem exists in education because school costs are incurred at one point in time, and the benefits to students are received at another. Benefits occurring far out in time may tend to be valued less by analysts than those with immediate payoff.

Overemphasis of efficiency. Do not let systems analysis place too much emphasis upon economic savings. If you do, preference will be given to saving at the expense of accomplishing. Critics of economic analysis and policy point to current urban wastelands as examples of how humane concerns often gave way to efficiency with disasterous results. The need just might exist in local schools for occasional "uneconomic allocations of resources," so that schools may benefit from money being "wasted" on non-economic values that reflect our social conscience.

The centralization syndrome. For a decade and a half we have talked a great deal about personalized, individualized, decentralized mini-schools--all the while allowing systems analysis and electronic data processing to centralize us even more. For other benefits, computerized central data banks bring decision making closer and closer to the information center. The result in a lot of districts has been for fewer and fewer youngsters to be considered as individuals.

Organizational strains. Because you have adopted a systems procedure, do not expect a disappearance of bureaucratic inertia, vested interests, old prides, honest differences of opinion, and political activities. In fact, things may get worse at first as the schools' objectives are exposed in analytical terms. Measuring performance quantitatively can irritate those who do not understand this mode of thinking.

Teacher resistance. Some of the new systems procedures are bound to encounter opposition from teachers who view operations analysis as an encroachment upon their professional activities. Impersonal efficiency measures are incompatible with the human subtleties of education, they will say. And, partially, they may be right.

Transfer problems. Systems models and procedures that were developed for use in other fields aren't always automatically transferable to education. Generic models should be altered to fit the specific situations found in education. In terms of quantitative analysis, schools are much more complicated than any system yet devised by the military, which is where systems analysis was largely developed. Defense seems simpler than education in some respects.

The wisdom lag. Recent advances in technology and science far outpace any comparable advances in human wisdom. Call it a "wisdom lag." We have the capacity to analyze intricate school problems with computers, but often we do not know what to do with our analyses. The analyst may be sophisticated in the use of certain techniques, but not in estimating the value and relevance of data.

Consequently, it is likely that some innovative systems devices will be doomed to success in school districts. That often happens when the evaluation of a new technique is conducted by the same persons who originally introduced the innovation. Nobody likes to admit that his own idea was anything less than a smashing success. Perhaps each new technique, such as cost-benefit analysis should be itself the target of a cost-benefit analysis. That way we might find out whether the technique is worth the effort of using it.

Conclusion

I would like to end with several suggestions to you. As I stated earlier, my intention was not to discuss the general characteristics of PPBS because there is so sufficient literature that is available. I would suggest that you review the literature. It is obvious that different authors define some of the aspects of PPBS differently, and I think that this is healthy.

Secondly, I suggest that when you feel fairly comfortable, you begin deliberations about designing the program structure. There are numerous ways to define it. The approaches I have worked on include: (1) subject-matter format; (2) grade-level format; (3) services performed format; and (4) a kind of a hybrid that combines grade-level with subject-matter.

After you have a suitable program structure, it is relatively easy to assign budget allocations. You would have direct costs and indirect costs for each of your various categories.

Thirdly, I think that we could begin to modify the existing budget code for PPBS purposes, but not destroy it. Do not be fearful that this is doubling the amount of work you would have to do. I think we need some modification in the New York State Budget Code, but not a complete destruction of that which already exists.

I think we would continue the existing accounting procedures and internal control devices. We would not have to make major changes in this area.

I suggest that you incorporate planning aspects with budget. Too often we seem to think that planning is a long range activity and budgeting is a one-year activity. That distinction is one that I do not particularly cherish.

Finally, it is desirable to identify the kinds of support requirements that would be part of an installation. As I said, the literature is fairly extensive and Dr. Curtis will discuss some of the actual projects. Thank you very much.

SURVEY OF CURRENT ACTIVITY IN EDUCATIONAL PROGRAM BUDGETING AND A LOOK AT THE FUTURE

Dr. William Curtis, Director
ASBO Research Corporation

Mr. Chairman, Dr. Hartley, ladies and gentlemen. One of the early statements made here this morning on the platform gave an indication that Dr. Hartley and I are appearing as the experts in this particular field. I would like to make one correction. Dr. Hartley is the expert as demonstrated by his very fine presentation. I am not here as an expert in this field.

Speaking of Dr. Hartley's remarks, I would like to say that I support completely the comments that he has made regarding the limitations. I am so pleased that he has taken this approach in his presentation. I have found the same things to be true in my limited experience in this particular field. With the comment that I do not appear before you as an expert, I will take a moment to indicate to you that I have come into this particular field because of background experience in two or three directions.

The Research Corporation of the Association of School Business Officials decided it needed a person who had had experience in the field of general administration to head the project; to reflect the position of the superintendent. They, as indicated, wanted someone who would have some visibility at the national level and because of my AASA assignment recently, I was the person chosen for this position. I will be reflecting, as I indicated, some of the current activities and some of the plans for the ASBO project in partnership with Dade County, Florida rather than an analysis of the PPBS system.

I am assuming that there is a reasonable degree of sophistication in this field, perhaps a high degree on the part of many of you so I will not spend any time on the history of this particular program or some of the early details. I will start by making one or two observations.

For example, I would say that if you feel PPBS is something which is a fad today and may pass along tomorrow, you are, in my judgment, greatly mistaken. I can assure you there is tremendous interest in this particular field throughout the country. Also, in the last few months I have noted an unusual amount of interest in our particular project on the part of the United States Office of Education especially because of its national implications.

Your chairman has mentioned the recent ASBO Conference in Houston, Texas. The very fact that some five hundred persons were interested in appearing at a group session on PPBS I feel is an indication of the great interest in this subject. The several conferences which were held in Houston by some of the resource persons in this particular field is another indication. Still another is the rapid increase in written material in this particular area. I would take a moment to recommend to you, and I assure you this is not collusion, Dr. Hartley's book. I have had occasion to read it. I told him this morning that I carry it with me and it has become 'dog-eared.' And I find that it is being well accepted across the country.

There has been some mention about interest on the part of legislators across the country. The statistics I am about to give you I cannot confirm, but they have come to me from two sources. Reportedly forty state legislatures this year will either have passed laws or are considering bills at the present time to mandate some form of a PPBS program in their respective states. I have had an informal confirmation of this figure from the office of the Education Commission of the States and Dr. Pierce, its Director, has given me another source that I am about to check for the accuracy of this figure.

The increase in my own correspondence and the number of calls that I have received in the last few weeks is another indication of the growing interest in PPBS. And if you follow the statements of persons such as Drs. Harry Hartley, Erick Lindman, George Chambers, Jack Culbertson and several other prominent persons, you will certainly find that PPBS is here to stay. It is a process with which we should be concerned and we should move into a position of leadership as far as it is concerned.

There has been an indication of a great lack of coordination and a lack of communication with relation to PPBS. I attended a meeting not too long ago in Des Moines, Iowa, and heard one of the speakers say that he had asked his research department to investigate the number of PPBS projects, either large or small, which are now under development across the country. His research had brought forth the finding that at least seventy-seven projects are now under way, either at the national or at the state level. I dare say that there are a good many more since that research was carried out by him three or four months ago.

I have been questioned many times as a result of my travels across the country as to whether there are individual school districts which are doing an outstanding job in this particular field; districts for example that I can recommend for visitation.

I must say that as yet I have not been able to find an individual school district in this country that has, in my judgment, truly implemented a PPBS program. I have found several districts which are quite knowledgeable and are attempting to move in this direction, but I have not, as yet, been able to identify an individual district which has reached a high degree of sophistication in the overall process.

I have found many districts that have developed programs in what might be called program budgeting but the program planning aspect and the evaluative aspect in each instance have been neglected. I know most persons are well aware that PPBS includes adequate program planning as well as evaluation. I find that there are many districts which have proceeded in a very orderly manner in developing program budgeting procedures and are now concerned with both ends of the scale, the planning and the evaluative aspect.

Clark County in Las Vegas, one of our pilot districts, would be an example as would Dade County, Florida, our partner in this program; Memphis and Milwaukee, members of our pilot group also. These are places where we find a great deal of interest in a very orderly procedure towards the development of a PPBS program. Some of the other large cities like Chicago, Los Angeles, New York, Philadelphia, St. Louis and San Diego all have done a great deal in this direction. However, all will admit they have a long way to go towards true implementation of a PPBS program. Some of the smaller districts have been making considerable progress also. No doubt many of you have read some recent articles in School Management and Nation's Schools magazines which described some of the progress made by certain small or medium-sized districts.

Dr. Hartley has indicated that there is a lack of understanding of the meaning of some of the terms used in connection with PPBS. Here again I support Dr. Hartley in what he has said. We have found that semantics is a real problem and redefining should be one of our first efforts. I know that in our project this will be one of the first jobs we will be undertaking within the next few weeks.

I have indicated that there is a real lack of planning in connection with the program. Furthermore, Dr. Hartley has indicated that too often the persons trying to implement such a program are trying to use only those goals or objectives which can be measured readily and as a result are tending to neglect some of the more important objectives of the educational program. And in those places where we find that the staff has tried to develop a series of basic objectives and a series of sub-objectives for individual programs, too often, a consensus is lacking. I admit that development of this phase of the process presents a real problem and it is one which we are going to find very difficult to solve.

Recently, I had occasion to talk with a representative of the Great Cities Research Council who served on the committee which had the responsibility of trying to develop examples of basic objectives and sub-objectives for selected school systems in the great cities group. He told me that his committee worked sixteen months on this assignment and still had not arrived at a consensus. Assessment, the measurement of the accomplishment of these goals still remains as a major problem to be solved also.

I have just come from the northwest where I have had conferences with Dr. George Brain, whom many of you know as a former superintendent in Baltimore and as a past president of AASA. He is now the Dean of Washington State University. Dr. Brain has been a member of the Exploratory Committee for the Assessment of Progress in Education and is now serving as the chairman of the new Committee for the Assessment of Progress in Education.

I discussed with Dr. Brain some of the plans which they have for the assessment and the evaluative procedure because we felt and continue to feel that the work of this group will have a direct relationship with our particular program. I came away from my meeting with Dr. Brain encouraged because of the plans of this particular group. As you know, the Assessment has been controversial. If you have not seen it and you wish to know the status of the Assessment program at the present time, I suggest that you secure a copy of the brochure entitled "How Much Are Students Learning?" This is an interim report just published by the Committee on Assessment and Progress in Education. It will give you a good idea of the work of the Committee to date and some of its plans for the future. As you read this report I am certain you will see that it has a direct relationship to some parts of the PPBS program.

I had occasion to meet with Dr. Pierce, the Executive Director of the Education Commission of the States. As you may have read, the Education Commission or the Compact as it is known more commonly, is now considering taking over the sponsorship of the Assessment. With these things happening, I feel there are some bright signs on the horizon and we should be aware of them.

Now, a word or two about the Research Corporation of ASBO--Dade County joint project and the responsibilities which we have. In case you are not aware of it, there is an agreement between the two groups, supported by U.S. Office of

Education funds, for the purpose of developing a design for an integrated system for program budgeting for local school systems.

Basically the responsibilities of the two partners are as follows:

The Research Corporation of ASBO has the responsibility of developing a conceptual model which hopefully will be suitable for use in the local school districts of the United States. In addition, we will have the responsibility for the publication and dissemination of project results among local school systems. Dade County will have the responsibility of developing a design for a program planning-budgeting-evaluation systems design for the Dade County Public School System. They will also have the responsibility of implementing that system in the public schools of the county.

The results of the developmental process are being made available to us. In fact, we are working very closely with Dade in this development. Hopefully, out of this experimental work in Dade will come the basics for the design which we will use for the conceptual model.

We have had some very fine conferences with the Dade County team. We will be having another one next week. From that point on we hope to move into much more extensive experimentation for the remainder of 1969.

As part of our responsibility, we propose not only to take the results of what happens in Dade and work on our own model, but also we propose to sponsor a series of conferences for national leaders, first, on a national scale for the purpose of informing them what PPBS is all about. The National Conference will be followed by a series of regional conferences. I hope that some members of this audience will be involved in the regional conferences.

We expect to develop a conference in cooperation with the institutions which are training administrators for the future. I have had some meetings with Jack Culbertson of Ohio State University whom you know as the Executive Director of the University Council of Educational Administration. Through his office we hope to set up a conference with those persons who will be training people in the field of administration.

The question has been raised of me, "What progress have you made to date in your work with Dade?" Because I did accept the responsibility of directorship rather late in the 1968 year it was necessary to telescope about ten months work into five, and because Dade did not have a director until about the first of October, we have not done too much on the model as yet.

I will share with you briefly some of the progress to date which may be of interest to you. We have been able to agree on a rationale for the use of PPBS in the Dade County system and hopefully for school districts across the nation. Time will not permit me to outline the rationale in detail. In brief, it is based upon the idea that this approach will offer a better basis for decision making by administrators. This leads me to comment about the use of the letters "PPBS" and their meaning of program planning-budgeting systems and to tell you that we are going to encourage a change in this title. We are not satisfied with the use of the title "PPBS" or "PPBES." We have found that by using PPBS too often, persons have expected us to follow the pattern set forth by the federal government a few years ago. This pattern is not necessarily related to the field of education. So for want of a better title, we suggest that the model we complete might be called an "Educational Resource Management Design." We are interested in having the word "education" in the forefront. It is based to a degree certainly on our resources as indicated by Dr. Hartley. Management is involved and it is a management tool for the decision-making process. It is a design. Perhaps someone else can come up with a better title--if so, we will be pleased to consider its adoption but it must be a title which will be suitable for Education as I am reflecting the feelings of a good many persons who are practicing school administrators.

I would like to give you some reassurance regarding our approach toward the development of this model. Having been a practicing administrator up to about six months ago, let me identify some of the problems which I shall try to be aware of and will encourage the others involved to be aware of them also.

First of all, we know that we must develop a model or models that are suitable for all. We must take into consideration the small district, the medium-sized district and the large district; the least affluent, the average and the more affluent. We recognize the need to indoctrinate everyone with the importance of reaching an agreement on the objectives and the goals to be achieved along with long-range planning. I wish to remind you that it is futile to talk about this process in terms of a single-year approach because we will be unsuccessful from the beginning if we do so.

I would spend some time in talking to you about the model itself. A week from now I might be on this platform again and telling you that we have changed our minds about its composition. However, I do not think that we will change it too much. Therefore, I will share with you some of our thoughts in connection with the model as we see it now.

First of all, there is complete consensus as we develop this model that that which takes place in the classroom must be first and foremost. It should be built around the instructional program. It should be concerned with what happens to youngsters. And as long as I have anything to do with this project, I shall give complete support to this approach as being of prime importance in the development of the model itself. In other words, it will reflect a student-centered character.

We have some consensus upon a model we think we will follow in the initial stages. Again, the meeting in Miami next week may change our thinking to some extent. We have notified our pilot districts and our consultants that we propose to use a three-dimensional approach built around the programs, the cost centers and the budget sections or budget parts for the expenditure segment.

The aforementioned, for example, might be divided into programs as follows: instructional-general, instructional for the exceptional child, instructional-supplementary and support from which we would build the basic objectives and the sub-objectives as they relate not only to the instructional programs, but also to the cost centers, and to some degree, to the budget parts themselves.

Under the cost centers, we would divide most districts into two parts. Recognizing that very large school districts face the decentralization process, the cost center groups in the model could be three in number, if necessary.

For the present we will probably divide the budget into four sections--the current operating expenditures, contracted services, capital improvements, and debt service. Let me remind you again that I have talked to you primarily about an expenditure model. It is related directly to programs and cost centers. The broader model would involve assessment of resources, the program planning process, budgeting and evaluative procedures. We plan to give examples of this structure so that they will form an integral part of the overall model.

There is one small disagreement between the Dade County people and me. It isn't a major one. I will mention it for what it is worth. I feel that supplementary services should not be as all-inclusive as they have indicated. I am urging they take the support part of the program and divide it into instructional support and non-instructional support. This is one of the small issues that we will have to settle next week.

Time will not permit me to go into some samples of the objectives, but I will tell you that we are planning to develop them in the broadest possible sense, not only as they relate to achievement and the measurement of skills, but also we plan to offer examples of objectives for an individual school. We plan to talk about objectives as they may relate to support services and non-support services. We will give as broad a range of examples as possible.

In conclusion, I have been asked to give you some idea about recent developments. The State of California, for example, as you may or may not know, passed a law two years ago which mandates a PPBS system for the whole state; not just for the state departments alone, but for the local school districts as well. We have established a liaison with all of these groups and plan to do our best to coordinate efforts wherever possible.

The National Education Finance Project, of which your own state is a member, originated in Florida. Florida is the signing state for this project which will deal with finance not only at the state level, but will be concerned also about its relationship with the local school district and federal government as well.

We have established liaison with many of the large districts that I mentioned previously and we find an increasing interest on the part of the institutions of higher learning. An example: Your own institution right here. We are doing our best as quickly as we can to establish a stronger relationship and stronger communications with as many responsible agencies as is possible.

Organizations are showing a great deal of interest in this new field, e.g., your own Organization of School Business Officials, AASA, the Secondary School Principals Association both on a regional as well as a national level.

We are using a board of consultants to assist us in the development of the proposal and ideas for the model.

I should tell you as a matter of interest that very recently we have established another evaluative panel. This idea was suggested to us by the U. S. Office of Education. Here again, to show you the interest and concern of important individuals across the country and their willingness to work with us, we have secured the services of Dr. Erick Lindman to serve as the chairman of the panel. As other members we have George Brain of Washington State University; Jack Culbertson of U. C. E. A.; George Chambers from the University of Iowa (I am certain that many of you have read some of his material); Fred Hill, to reflect the opinions of the practicing school administrator (you know Fred as deputy superintendent in New York City); and David Novick of the Rand Corporation. We have plans to use other specialized consultants from time to time as the need arises.

We are finding assistance at the graduate level and very recently we made arrangements with Washington State University to have one of its graduate students work with us over a two-year period and to do his graduate work in this field. We may add one or two others in the immediate future.

We have assurance of support from the Compact. As I indicated, I spent some time with Wendell Pierce the other day. We hope to have a coordinated effort as far as the states are concerned.

In the remaining minute or two I will identify some observations and conclusions concerning this project. The model or models, whichever is the case, in my judgment, should be built around the principle of flexibility. It should give us room in which to move and should certainly be responsive to change. I would re-emphasize the long-range aspect.

I cannot help but think back to 1950 or '51. I was reminiscing with Fred Hill yesterday. We recalled some of the early work in the development of Handbook II. It was 1950 when we had the first meetings in connection with Handbook II. The first state to adopt Handbook II procedures did so in 1956. And the 49th state did so in 1967. In other words, it took sixteen years from the time the initial work was done on Handbook II until 49 states had adopted it. If my sources of information are correct, one state has yet to do so. Handbook II is now in the process of revision. We are continuing close liaison with Alan Lichtenberger's office in relation to the revision of Handbook II. It should have compatibility with what we are trying to do.

Keep in mind it took sixteen years to develop the current process. Therefore, please do not expect any miracles from us in the next twelve months. We expect to get a model developed soon, with the cooperation of our pilot districts which will be helping us along with the Dade County School System. We hope to get some information disseminated in the next twelve months.

During 1970, we hope that we will have much broader dissemination of knowledge and more opportunities for trial runs. The major problems, as I see them, will be the Assessment and certainly the development of objectives; again the planning aspect and the evaluative aspect. Because I identified them as major problems, please do not get the idea that I am doing so in a negative sense. I want to be sure that they stand out and are of deep concern to all of you and are not lost in the developmental process.

I have already commented about the need for change in the name.

I must re-emphasize the need for greater coordination of effort and stronger communication.

I commend you for holding a meeting of this type in which you are trying to do something about this new approach to the decision-making process.

Finally, despite any reservations that you may have about this new process, I urge you to be concerned with it. I urge you to learn more about it. I urge you to accept the idea that it is here.

Instead of sitting back and wondering about it and criticizing it, I suggest that all of us should be a part of it. The role of the educator should be one of leadership and not in a following position in its development.

ASBO-STUDY COUNCIL

WORKSHOP FOR SCHOOL BUSINESS OFFICIALS

Norton Union

January 31, 1969

at

11:00 a.m.

REACTION PANEL

Moderator - Dr. Austin D. Swanson
Associate Professor
Department of Educational Administration
State University of New York at Buffalo

Dr. William E. Keller
Superintendent
Williamsville Central Schools

Dr. Chester Kiser
Associate Professor
Department of Educational Administration
State University of New York at Buffalo

Mr. Leonard Nieman, CPA
School Business Administrator
Amherst Central Schools

Dr. Robert Harnack
Department Head
Department of Curriculum Development
State University of New York at Buffalo

Mr. Richard Debus
Supervisor
Bureau of General Educational
Management Service
State Education Department

DR. SWANSON: We have had two very insightful presentations this morning. First, we learned about the nature of PPBS. We found out what PPBS is not but more importantly, we found out what PPBS is and some of its limitations. Secondly, we received a pretty good notion of the state of the art of PPBS.

We have a rather diversified panel here to react to the presentations of Dr. Hartley and Dr. Curtis. I will introduce everyone on the panel now and then they can proceed in turn. Mr. Richard Debus, from the State Education Department is Supervisor, Bureau of General Educational Management Service, New York State Education Department.

Dr. Robert Harnack is a colleague of mine on the Faculty of Educational Studies, S.U.N.Y. at Buffalo. He is a specialist in curriculum and Chairman of the Department of Curriculum Development.

Dr. William Keller is Superintendent of the Williamsville Central School District.

Dr. Chester Kiser is an Associate Professor, Department of Educational Administration, Faculty of Educational Studies, S.U.N.Y. at Buffalo. He is a specialist in school business systems.

Mr. Leonard Nieman is the School Business Administrator for the Amherst Central High School District.

We will start by asking Mr. Debus to react to the two presentations earlier this morning. Mr. Debus.

MR. DEBUS: My reactions are probably very much like yours. I have a series of questions to ask the two speakers.

In general, I was pleased with the limitations Dr. Hartley pointed out. One of our concerns at the state level is that PPBS might become a fad and not be implemented in the right direction and therefore result in the expenditure of millions of dollars and of an untold number of hours.

The progress Dr. Curtis reported is very encouraging. The program is getting underway. It will give us some information.

I would like to report to you what the state decided. Just yesterday, we came to a number of conclusions. It is not that we have not been working, but we found that our work has not been disseminated properly. We found that the average person in the state does not know that state policy mandates program budgeting at the state level; and obviously if we get our information to the legislature or the governor, sooner or later it is going to filter down to you. We have been working on the sooner or later.

We now have a limited amount of funds for pilot programs. A task force was organized yesterday of field personnel and field department personnel in an attempt to coordinate all the activities going on in the state and tie them in with what is going on nationally. We hope this will work. In the next four or five weeks we will announce some pilot programs in districts in the state to do the kind of things that Dr. Hartley mentioned.

Again, I was quite pleased at having limitations pointed out. We want you to know what the State Education Department has decided to do about this. Our essential chore will be to do our own research and support pilot programs, and to disseminate and report information to you so that you can be aware of what is going on and adapt it to your own situation.

DR. SWANSON: Dr. Harnack, how does a curriculum specialist feel about these developments?

DR. HARNACK: I was very pleased with what Dr. Hartley and Dr. Curtis had to say because, as a curriculum specialist, I think this means we are going to make more progress in the field of curriculum planning and therefore improve the curriculum. One thing that stood in our way has been the old-fashioned system of allocating funds. If there is any chance that such allocation will be directly related to the curriculum, we stand a chance to gain.

Just one quick point. (Some of the people here know something that I am going to say.) We have been involved for quite a while working with computers and the relation of computers to curriculum planning. Very simply, the success of our program depends on the type of budgeting of supported service called PPBS. Unless we have planning that is directly related to curriculum, we will be hung-up trying to figure out how to help the teachers in terms of the computer and many other technological advances.

DR. SWANSON: For the views of a chief school officer we call on Dr. Keller.

DR. KELLER: I would like to start facetiously on a lighter note. You note the position of the superintendent as to the rest of the program? He is right in the middle. So what is new?

I want to talk about the implication of the shift in the way we are being called upon to divide the funds. I will endorse again very enthusiastically one of the comments that Dr. Curtis made. You start with the education program.

Let me mention one other generalization which Dr. Hartley stated or described as part of the PPBS program. He said it describes what it is to be accomplished over a time dimension. Now, this implies a shift particularly from budgeting over a long period of time for fiscal reasons to budgeting over a long period of time for educational reasons. The essence of the message is to shift the reasoning from fiscal investment to evaluation and programming for educational outcome. This is one of the major perspectives to bring to the whole concept if you are going to apply it.

This takes you to the next step, the issue of whether to budget at the system-wide level or the building level. My feeling is if you are going to implement what Dr. Hartley described as decision, dissent and deviation, this implies automatically, that you budget at the building level, which is really the operational level. This is the level at which your people should be able to describe fairly accurately their expectations and outcomes, and their programs and built-in evaluations.

It kind of scares me because we are placing a lot of emphasis in the ASBO level at the city level. This is doing it the hard way. The smaller school systems have a better opportunity to move more effectively, more rapidly in applying this concept and evaluating it. Also I wonder, as we approach and try to search out avenues by which to make the transition and move over traditional programming and traditional budgeting to the new approaches, whether we need to be concerned about a total immersion or whether we should not begin to identify fairly specific projects and approach these in a program - planning evaluation way and use this as kind of a pilot technique to get a broader understanding of the idea and then progressively adapt to this total concept.

I think if we are not careful, we can get some indigestion in trying to grab this new approach in its total. I think we have to understand the concepts involved and how to make a transition. I feel that we can get a great deal of indigestion if we try to make the application too rapidly, too quickly. This is why I'm interested in working at the building level and/or project level rather than the system level.

We are doing some work in the intensive education classes for children who are having learning difficulties. We can spell this out properly, and what all our expectations are, how do we fund; how do we evaluate? I'm sure there are other applications at the building level where this can be done.

I was kind of amused when Dr. Hartley again warned us that the transition, in his words, is going to provoke organizational investigations. Again I say, what is new? I think this is part of the business that as educators and administrators you are going to create; the stress, and how you are going to cope with it. This is just one more stress which presumably will sharpen our perception of how to invest money efficiently to improve our educational outcome.

DR. SWANSON: Dr. Kiser, how does a systems analyst view the situation?

DR. KISER: I would like to start off with an information item for those of you who may not know that the Western New York School Study Council is now sponsoring a PPBS project. The focus of the project is to explore the possibilities of inventing an operational model for school districts of the kind we have here in western New York, and then field testing that operational model for PPBS.

In this connection, the Study Council staff has developed, in cooperation with one of the local school districts in our region here, the Maryvale School System, a proposal for a Title III grant which is now pending in Albany.

The proposal specifies a three-year project. The first fifteen months of the project, which commences July 1st, will be devoted to invention of the operational model. This will be followed by a twenty-one month period of field testing the model.

I would like to, as several of my colleagues on the panel have already done, emphasize what Dr. Hartley and Dr. Curtis have given us in their remarks this morning about the importance of the curricular aspects of PPBS. I heartily concur that this component of the model will be the most important component and not the budgeting component.

Dr. Hartley, in his book, emphasizes what he calls the fiscocurricular aspect of PPBS, and rightly so. I would like to join Dr. Curtis in commending to your attention Dr. Hartley's recent book, Educational Planning - Programming - Budgeting: A Systems Approach by Prentice-Hall, Inc.. In it Dr. Hartley does an excellent job of putting together where we are now and focuses our thoughts ahead to where we should go in regard to PPBS.

I would like to commend Mr. Debus and his colleagues in the State Education Department for taking the action that I understand that they took yesterday in deciding to coordinate projects in New York State that relate to PPBS and to disseminate information about those projects.

Finally, I would like to leave a question for Dr. Curtis to answer perhaps later when the panelists complete their initial remarks. I would like to have Dr. Curtis, if he would, expand a bit on the term "cost centers" that he mentioned several times in his presentation this morning. He mentioned that the cost centers are seen as an important element of the developing model in the ASBO project. I think we might benefit from some further discussion about the cost centers.

DR. SWANSON: Much of the responsibility for the implementation of PPBS in local school systems will fall upon the school business administrator. Reacting from that standpoint, we have Mr. Nieman.

MR. NIEMAN: Thank you, Dr. Swanson. It may be the case, Dr. Swanson, that we will have a high degree of responsibility in PPBS. However, judging by the comments I hear, we may also be asked to have a diminishing role in this area.

Dr. Hartley and Dr. Curtis pointed out two important resons for this. One, it was mentioned that some time ago there was a problem where the involvement of a business person in the establishment of a program resulted in adverse situations. I'm certain that because of changing times this will not occur again. The 1930's were one period. The 1960's and the 1970's are another period.

Second, I also see the concern with the name PPBS as indicative of the business area of responsibility in that there is perhaps a desire to make a change, mainly to remove the word "budget." By removing the word "budget", we remove the concept of the dollar.

I am pleased to see these reactions. I think many times we are going to fall into the trap of relating outputs to dollars, costs to benefits, and we are going to find that often the mix of dollars in one program related to another program should not be compared.

I would prefer perhaps to follow the line of Dr. Harnack and perhaps the line of Dr. Keller to the inputs not in terms of dollars, but in terms of the kinds of units employed in various programs. As I mention the word programs, I think it might be interesting to know that in a discussion during the recess, the point was made that many of us are not familiar with the term planning - programming - and budgeting systems. We haven't been in on it. Therefore, the discussion is a little difficult to understand.

You will be assured there are many publications and commentaries explaining the PPBS. I have one here, for example, that was given by Mr. Arthur Hoekstra, Director of Air Pollution Control in Erie County. When he presents his budget, he has to do it in terms of programs. One of the interesting things in this book is very important: a systematic analysis of alternatives to be performed. Alternatives is the word I wish to bring to your attention, explicit systematic identification of alternative ways of carrying out the objectives. I think it is particularly important.

When we have these alternatives, we may have to get involved with costs, because it says here we should estimate the cost of the implementation of these alternatives. And if we can, we should estimate the expected results of each alternative. Those, I believe, are very important.

I was quite interested in a concept of Dr. Hartley's, "doomed to success." This is very true in many avenues of involvement of school administrators today and in the past. Let's not fall into the trap of having it evaluated by the same person that evaluates the program.

Dr. Curtis said that we have legislatures and officials who want to assist us, but I think we would not have the success that we would like if we legislate PPBS. We have to understand at the local level that PPBS is something that is going to be demanded of us. It is a big wave that is coming.

The 1960's have been referred to as a period of quantity. More teachers, more schools. Many stresses and strains of growth have been evidenced in the 60's.

Now, as we look forward to the 1970's, and we are right in that transitional time, 1960 - 1970, the theme of this portion of the decade, I believe, will go from quantity to quality. I would like to take "budget" out of PPBS and put in "management." Let's call it "Planning - Programming - Management Systems." I believe that PPMS would provide a practical solution to the problems and issues related to quality.

I believe Dr. Keller had the idea in terms of implementation. Perhaps we should think of this in a project sense. Little kids go to schools and they have projects. They proceed at alarming rates because they are concerned about a project. Teachers, as they are concerned about projects, think of all kinds of ways they can get children to do things by projects, converting the concept of program to projects. Get teachers thinking from programs to projects. Get them involved. Get their interest.

We can speed the implementation of PPBS or PPMS if we adopt rules of conduct. As a CPA, I have to operate under rules of conduct. Rules of conduct must be provided as we enter into PPBS.

I have some suggestions. We should trust the talents of one another, remove the walls of distrust and cross that bridge of communication. We should not be afraid to make available specific details of information. Too often somebody on the board says, "I would like to know this" and they don't know the details. Knowledge of the details is necessary for decision making.

There is more than one way to do it. As a strategist says when he is estimating the military situation, "What are the courses of action?" In program budgeting, we too should ask, "What are the courses of action?"

DR. SWANSON: Perhaps there is some cross-reaction from the panel?

MR. DEBUS: I would like to react to two things that were said here. Dr. Keller said that we have a need in the state for a small project in a school district. This is exactly what we decided yesterday: where our money could be best spent because of the ASBO project, because of some others going on in the state, because of a possibility of a full scale project here. Our need is to support in this area the small program, to identify elementary music or something of this nature.

The Title V funds that we have available are generally going in total to small projects throughout the state, which ties into the remark that I would like to make about Mr. Nieman's comment. We will have mandate program budgeting unless the school districts in the state show that they are doing something about it. It is the policy of the State of New York and of the federal government to have program budgeting or whatever title we assign to it. We have been operating under it at the state level for three years now. The only way to prevent mandated implementation is to get projects going in the field so that we can go to the legislators and say, "here is what's being done in the State of New York. Give us a couple of years to work out the details." And this is a contributing factor to our starting a task force yesterday to coordinate these things and find out what you are all doing. We can then say to the legislature, "Say, slow down and give us a couple of years, and we will come up with exactly what you want."

DR. KELLER: It seems to me there is a major shift going on in the way to measure funds for education outcome in the district. Traditionally we have looked at the management of these funds at a systems level, an operational level. And all projects and expenditures have to be justified.

I think there is a new shift going on. Sometimes we need to devise ways to allocate funds for specific educational outcomes at the building level. I think this building level plan needs more latitude in terms of investment of funds to bring about specific educational needs.

I don't think you can consider the system-wide level. If you are going to get an effective payoff with this money, it is at the building level. Somehow we need to help this group of people to sharpen their methods of implementing this system.

It means more rapid, more effective decision making. It means design work by your staff. I think we need these activities so your system does become as dynamic as it should be and has to be for the 70's.

DR. HARNACK: Most of the structural management systems that I have read about have been poor examples of what we are talking about this morning. Following Dr. Keller's remarks, they are not mind-expanding or flexible.

The Systems Development Corporation, their structural management systems, and a few other concepts have been so restricted that we think only of subject matter areas within elementary or high school. For example: I have to go back to Mr. Nieman's reference to Mr. Hoekstra. He worries about air pollution in Erie County. What if, suddenly, we had thirty-two teachers in the Williamsville School District who wanted to teach something about air pollution? This unit might last eight to nine weeks in the classroom. To what extent do we have the flexibility to define how this would be budgeted for instructional material, for field trips, and the thousand and one things that will help us get education away from the schooling concept and to where it is meaningful enough that we can show the public that we are worth our salt.

MR. DEBUS: This is something that we have to keep in mind, and I would like Dr. Curtis to comment whether the Dade County project is doing anything with regard to the problems. Many of us think that in ten to fifteen years we are going to have a pupil-oriented budget. We believe we are coming to the day when a child will enter kindergarten and a program will be designated and budgeted for that child.

DR. SWANSON: Dr. Curtis, two questions have been addressed to you. Would you care to respond?

DR. CURTIS: First of all, Mr. Nieman, let me direct this statement to you. I hope it will answer your question concerning the alternatives.

I will read two paragraphs: "The rationale for advocating the adoption of the PPB system into Dade County school system is the belief that it will: (A) provide responsibility centers with more and better information for planning programs and making choices among the alternate ways that funds could be employed to achieve the objectives of the school system, and (B) aid management in the decision making process by assisting in the development of the improved ways, through analysis and evaluation of achieving the objectives faster, and more effectively." It is the basic rationale.

I'm quoting now from a rough memorandum that I put together at the end of our session in Miami last Tuesday for my own consultants. I am going to read it. "At the end of our meeting, Mr. Haggert" -- Mr. Haggert is a member of the Dade team -- "spent some time in the development of an alternate statement for the PPBS rationale. Basically this statement was built around the concept that each program is identified as the annual enrolled student about to undertake a planned course of instruction."

Now, just to amplify that a bit. Each of us agreed that there was something in Mr. Haggert's statement about the individual program and that part of the rationale that we needed to review. We have been reviewing it, and Monday morning in Dade again we are going to review the rationale with this thought in mind. I hope I answered you and the body.

Now, I move to Dr. Keller's question and his concern about the small district. When I first became associated with the project, it became evident to me that Dade, being the seventh largest school district in the country, would naturally be reflecting the big school district viewpoint. This is one of the reasons we changed our proposal this year to pick eight pilot districts for a good cross-section.

I had many offers from people who wanted to join us. It was necessary to sift these down. We set up basic criteria for the selection and then we set up unique or special criteria for different types.

In the pilot groups, we have a district represented that has only twenty-one hundred youngsters in it. It is a rural district of 900 square miles in Colorado. It has the problems of non-instructional support; for example, transportation.

Some school board members fly to meetings in their own airplanes. It has all kinds of problems in connection with food services and coordination of efforts on the part of the constituancy.

We have a district in your own state, namely, Herricks on Long Island. And it is not a large district.

We have a school district in Westport, Connecticut that has only about six thousand youngsters in it.

We have Montgomery County, Maryland and Clark County, Nevada. We have a medium-sized city in Peoria, Illinois, and we have two big backups for Dade in Milwaukee and Memphis. These eight will be the pilots.

We are trying to keep in mind that we have to begin with a very modest structure and build from that point. I might say as a matter of encouragement that the representatives of the big districts are urging us to do it this way.

There was some pressure on us to pick a district of very small size, five hundred to a thousand. We objected strenuously on the basis of a principle that we have been supporting through our national organization -- the principle of not going that small.

MR. DEBUS: Fred Hill related yesterday that he started out in a small country district in Kansas. He came east to the state education department and eventually wound up in New York City. After about twenty years' experience in a city the size of New York City, he came to the conclusion that outside of top supervisory personnel in order to tie things together, his problems are no different from anybody else's regardless of the city or the district. He's got the same transportation problems, just more of them. He's got the same staffing problems, just more of them. He's got the same food problems, just more of them.

He said he was firmly convinced that the big districts have their problems and we have ours. He said the problem was in terms of adding zeros to the dollars. He said that outside of that, the problems are identical.

DR. SWANSON: Dr. Curtis, would you now address yourself to Dr. Kiser's question concerning the "cost centers."

DR. CURTIS: In the cost center, we would consider initially a division three ways -- school, district and system-wide, the district being in there to take care of a large district in their decentralization problems.

We have not identified and defined schools as such, but we have indicated that some of the initial sub-headings in schools would be, of course, elementary, and intermediate and secondary. Dade wishes to combine adult and vocational education.

Personally, I, in the national model, want to separate those. In the subdivision, Dade also talks about the district office and the central office.

Well, I have raised some questions and I will read the questions to you. For example, what will the word "elementary" include? Will it include early childhood education? Will it be headstart or nursery or should it be headstart and nursery? Will the programs be treated as separate entities?

Some headstart and nursery schools have not been in school buildings, but in church buildings and rented spaces. As you see, we just used general terms, but we will have to define these spaces very well. We had originally thought we would start out with the Aid program areas as a basis identified by the National Education Finance Project.

Now, we have decided to tie these into the cost centers as I just outlined. We may also be talking about an area of continuing education, and about junior and community colleges. I see somewhere between eight and ten sub-categories which we will divide further.

DR. KISER: Bill, do you envision in the work that you are doing the possibility that each of these individual cost centers and individual school buildings would be given its own flexible budget?

DR. CURTIS: Yes, we think that this is very definitely in the cards. This is in line with what Dr. Keller said, and what Dr. Harnack has said. This must be, as we see it, part of the structure. This is why I must go back to the importance of the objectives, not only the system objectives, but the objectives by schools, the objectives by the structural program and the interrelationship of responsibilities at the individual cost center levels, whether it be a school or office or any other subdivision.

We are aware, of course, of the problem of dividing this so much that we would create additional problems. We have seen some real problems in terms of research and development groups attempting to define the objectives so carefully and so thoroughly that individual teachers establish objectives on day-to-day basis and also an assessment on a day-to-day basis. That would kill the project right from the beginning.

DR. KELLER: Who are the teachers?

DR. CURTIS: I submit to you, Dr. Keller, that with the negotiational procedure it won't last very long.

DR. SWANSON: Dr. Hartley, would you care to react to the reactions?

DR. HARTLEY: We have thrown a lot of initials at you, and my particular concern is not what initials you end up adopting, but a system. There is a lot of latitude in interpretation. It is in effect a mode of thinking -- programmatic issues, resources, evaluated criteria, and so on.

If you think we are going to present to you a fixed program structure and so on, no. That would defeat the whole purpose. We want your participation in the form of a program.

Secondly, I would like to respond to this word "management." I would not like to include the word "management." I have been shot down several times for making the same proposals. I have been involved in road shows for two years. Nobody believed that PPBS existed.

My current research and writing is in the interest of management information which I think is a very important component. I would like to take it out because I think the thing that we are trying to create with PPBS is participation. Management has a connotation of administrators. More specifically, the central office administrators.

I would like to see schoolroom teachers in some of the secondary schools have a say in the curriculum that will be a part of this program. I want to encourage participation and not be restricted to management. I want all the members of the organization to feel that they are a part of the curriculum planning.

I think we can gain public support. Some of us view this as an imposition on you. You'd better watch out. PPBS is coming. The state is going to mandate it. I hope you feel that if it comes it will be beneficial.

Maybe there is so much resistance to rising taxes and school finances because we have never demonstrated to the public that we know how to define and show where the resources go. We give the public old terms such as "interfund transfer" and say, "Give us more money." Then we put more in "interfund transfer." Maybe we can develop a budget that lists programs understandable to our constituents and end up with much greater support.

What do we end up with -- "Item 1. Administration." Why should that be the first item in the budget? Constructional costs -- it is just a horrible approach to budgeting. We will get public support particularly for education in a district that has prepared a budget related to program. I've seen some very interesting ones.

I recommend Sacramento. It has a good concise budget.

I would like to mention that in no way have I mentioned doing away with current budgeting practices.

Thank you for bringing me up-to-date on New York State. That is one of the values of coming here and speaking.

I find out what the state is doing.

I am not an expert in curriculum, I don't pretend to be. I would like to give a recommendation to specialists: present the curriculum of a school in a program format. The danger of us presenting it is that it becomes accepted as a program structure.

Perhaps a better term than program budgeting is the term program planning, since that is what we are concerned with. I think it is unfortunate that the word "budget" is used so often in this respect that we use the term "program budgeting". But budgeting comes later. The first need is to plan programs in a way that enables you later to attach budget dollars.

If you are choosing your terms, I would like to emphasize program planning which will lead to a program budget. In the final analysis, the success of the program budget is dependent upon the artistry. If you are a good artist, you will do well with it. If you are a poor artist, it won't make a difference. Success will depend on your artistry in the district.

DR. SWANSON: Let me try to summarize the discussion briefly. We have been on a new frontier this morning.

As Dr. Hartley pointed out, PPBS is a mode of thinking. It is not a revolution, but a bringing together of several concepts with which we have been struggling for a good number of years.

Mr. Debus has told us of New York State's very definite commitment to PPBS. The commitment will probably become even greater in the future.

Dr. Harnack has seen great hope in this new approach and a great freeing up of new approaches to curriculum development, school operation and school organization. You might call it a liberation of the profession.

Dr. Keller saw great hope in that not only would we plan for years into the future for financial needs, but also for the much neglected program area.

Dr. Kiser mentioned the activities of the Western New York School Study Council in PPBS. He reported on the Council's hope for a major project through the Maryvale School District which would indirectly involve all of us.

Mr. Nieman, the school business administrator, pointed out hopefully that he saw a diminishing role for the school business administrator in this whole process. He also saw a new emphasis on viewing alternative approaches to school budgeting and school programs.

GUIDELINES FOR SCHOOL BUSINESS OFFICIALS IN COLLECTIVE NEGOTIATIONS

Mr. Robert Russell, President
I. T. U. Local #9 and
Member of the Board of Education
Maryvale Central School District

I think that we are all aware that the Taylor Law in its group recognition features is a brand new field for both chief school administrators and school business officials. We are all aware of the Board's role. They help us select a negotiating team. They weigh the proposals, determine counter-proposals, and the ability of the district to pay. They must finally come up with guidelines for the negotiations themselves.

The chief school officer's role will vary from district to district, but regardless how it may vary, he is still the representative of the Board. He is responsible for seeing that the Board obtains accurate information. This brings us to the school business official.

In my opinion, the school business official is a key person in the district. He is constantly dealing with cost. He has undoubtedly more contacts with non-teaching groups within the district than any other individual. I believe he negotiates various fringes and other benefits in the district better than any other individual. In my opinion this man is a valuable addition to a negotiation before and during.

Now, every district has its own idea of what constitutes a negotiating team and who should do the negotiating. The makeup of the team will vary from district to district depending on situations there. I believe that a school business official, whether it be for teacher, cafeteria, clerical, bus driver or any negotiations, should be a part of every negotiating team. He may be in some cases the spokesman for the negotiation team depending on the feeling of the Board in that district.

Why? Because in varying degrees he is living with and operating under the contract that is negotiated. He deals to a great extent with anybody having a problem within that district, and he is dealing with their gripes and complaints. This knowledge is helpful to any negotiating team. This experience during a contract year can help a Board of Education in developing counter-proposals. The school business official knows where there may be abuses. He knows where there may be shortcomings. He realizes where costs may be off-base and where things are not working well. In preparing counter-proposals, I feel it is not necessary to wait until contract time.

There is a saying in labor that "we negotiate year to year, all year round." There is a definite reason for this. You don't negotiate a contract, put it away and forget about it. What you have negotiated in that contract is something you must live with from day to day. Therefore the school business official is in a good position to keep records. And this is what I suggest to you: that you keep a record of the abuses, keep a record of how contract clauses work, keep a record of any thoughts about the contract that you might have. Don't correlate these only when a contract proposal comes up. Keep a file, what you might call a contract file. This is a common practice in labor. Each time anything arises, a record is made of it. This information can be gone over when we are preparing for negotiations so that we can use it to our advantage. The Board must depend upon the information it receives. It must be accurate. I ask you a simple question: "Where else can they get it?" They depend upon the information that is relayed to them by the chief school administrator. And he must depend upon the school business official for this. So the role that you can play in negotiations is, I believe, a very vital one.

When a Board is determining a package, they must evaluate many factors. What is their district's ability to pay, to meet the demands put up to them? They take into consideration the present tax rate. They take into consideration the proposals and counter-proposals presented to them by each of the various groups. They put these all together and come up with a numerical figure. They then, at this point, must determine how much of this can be met, if any, because there is, without a doubt, a silent party at the negotiating table: the public. They represent the public, and, therefore, must look out for their best interest. In determining what you can do and how far you can go in setting guidelines you naturally must know what effect this is going to have on your tax rate.

A workable system for dealing with three or four different groups, for making sure that you do not create hard feelings or disturbances between them, is using a percentage factor to determine an amount across the board for fringes, benefits and wages. If you follow the percentage system, one group cannot claim that they have received less than another. Perhaps you will be acting as chief spokesman for your Board. And perhaps in dealing with the clerical help, maybe bus drivers, maybe the maintenance, the penny ante breakup of your units, these suggestions may be helpful and I would just like to run over them.

Number one: At any bargaining table there should be one spokesman. This is your chief negotiator. It is very necessary and vital to control a meeting. One of the tricks that we have used many times in negotiating is to get everybody on the other side of the table talking. If you can accomplish this, you accomplish a discrepency in thoughts, ideas and stories. It will give you a wedge to use to break down their arguments.

Another thing to remember when you go into negotiations, is to make sure you set a deadline for your meeting. If you are starting at seven, maybe you want to quit at eleven. This has to be something that you will work out, but do not get into a situation where you continue on and on and on. More benefits and gains have been made when one side or the other of the table has been too tired to think straight. This is a trick that has been used many, many times over.

In arranging your topics, try to intermix the topics you have that are up for discussion. You will find that in any proposal brought to the table there are certain items that the Board will be willing to agree with. There are other items that the Board will say definitely "no" on. And there are other items that the Board will be willing to hear a little more about.

Now, whenever you arrange your schedule of topics make sure that you intermix these so that you are not taking all of the "no's" and all of the "yes's." Try and get a balance so that during the meeting, you are achieving a road towards the end.

I think this is perhaps one of the most important points of negotiation. You can't sit there and constantly say "no, no." And you can't sit there and say "yes, yes," or you will lose all your bargaining strength. So it is very, very important to intermix your topics, making sure that when they are presented you are giving a little, gaining a little. The contract negotiations will then move along smoothly.

We are always asked about impasses. Under the Taylor Bill what must take place? Actually very rarely will a skillful negotiator get caught in an impasse for one reason: the minute he finds he is running up against a roadblock in negotiations, he does not continue to press that subject. He will table it. He will ask the other side for a little time for more consideration and study on it. What he must do, what his purpose is, is to get off that subject so that he doesn't knock heads. It is very important to get away from this position. You can't in negotiations take a bullheaded type of position, because you are in trouble if you do. Try to move away from this, if necessary, by calling a caucus at this point. Do anything to prevent anyone from getting their back up in the air. You will find that you can be very successful.

If you are not a chief negotiator and any misinformation is presented by the other side make sure immediately that you ask your chief negotiator for a caucus so that this may be squared away and taken care of before you get too deep into the subject. This is very important, and one of the main reasons why I feel that school business officials should be present in each of the negotiations. He does know the facts and figures and if anything goes off base at anytime through misinformation, he is in a position to know it and have it corrected. Remember, ask for a caucus immediately. Inform your chairman of the misinformation so that he can attack it from a new angle.

One of the last main things in any negotiations, and I think it is perhaps the key, is never to let any group walk away from the table without feeling that they have won a victory. This must be in your presentation and in the way you handle it. You will find that you must make them feel, even though you wanted to yield a point and had no qualms about giving it, that they have won it from you.

Therefore it is necessary many times to draw a thing out, to develop counter-arguments. If you do not use this approach you are going to find that they are not going to think that they have won something. They are going to believe that you were going to give it to them anyway and look for more. I think this is perhaps one of the most important factors that we have in negotiations.

Now, as far as the school business official is concerned, I stated it before and I would like to repeat it. I do feel your position can be a key one for the district. I ask you to remember to work on this year round. Don't take it as something that only occurs at contract time. Learn to develop a contract file. Develop the information during the course of a year that will be necessary to help, not only in the future negotiations, but probably more important, in developing counterproposals.

I have tried to keep this as short as I could, and I would at this time like to open the floor for any questions that you might have. It is impossible to anticipate everything that you might have on your minds or what might be of concern to you.

Question: You were talking earlier about a five percent factor arriving at some sort of a percentage factor.

Mr. Russell: I didn't use a figure. I said using a percentage factor.

Question: Are you talking about a cost of living index or are you talking about a type of thing -- a percentage figure?

Mr. Russell: What I was saying was that a Board must sometimes determine a total package, not only for one group, but for as many as three or four groups. In order to achieve a balance and equality with each of these other groups when they have determined how much they can afford, the only logical way is to develop a percentage factor. If you are going to give ten percent to the teachers in wages and fringes, apply that ten percent to each of the other groups. You can then easily determine what the cost is, and what effect this would have on your tax rate. You might determine at this point that the percentage is too high. You might say, "We will try nine, eight, or seven percent across the board for each of these groups." If you do get a complaint, it will be from the teaching group because they are in the higher wage bracket. We find this same thing in industry where those at a lower scale will complain about the fact that the man in the higher wage bracket has gotten the higher amount of money. What we have used on the board in determining a total overall is percentage, so we can at this point say, "your raise is equal on a percentage factor."

Question: Despite all of our attempts to avoid headon clashes, when it comes right down to salaries and a negotiating group on the other side says, "We have got to have this." And we say, "We don't have the money." How are you going to avoid this clash?

Mr. Russell: One thing I meant to say, and I was going to bring it out before, is this factor: In arranging your package, make sure salary is the last item that you ever bring up.

Now, I point this out for a definite reason. You will go through your total package and you will be talking about many items. It may be salaries for curriculum co-ordinators, other people or coaches. They will all be asking for increases. You may be granting them. You may be saying at this point, "We tentatively agree, because everything in the contract is tentative until finalized." You might say "Tentatively we agree that we are going to give the curriculum co-ordinator another hundred dollars a year" and so on. When you come down to the final point, this is your bargaining point against your salary itself because you are going to have to tell these people (of which they are well aware) that there is only so much money in the pot -- "How do you want to spend it?" This is actually what you come down to. And in many cases you can bargain rates for individuals or small groups within the district, but when you come to -- and I know what you are going to say -- when you talk about impasse as far as salary is concerned I think basically, and let's not kid ourselves in the least, when these people say, "We want $7,500 as a starting salary" and you say, "the most we can go is $6,600" you've got to meet somewhere along the line. It is up to you to develop it and work it out at the table until it is a reasonable point. You will use many factors in this. It is very hard to say what you can compare it to, but the teachers and other groups are well aware of what settlement or progress is being made by the County.

I think anybody that reaches a point of holding at a figure of $7,400 or $7,500, which is way out of line, is not bargaining in good faith. This is a point that the NLRB constantly watches, bargaining in good faith. You must show movement. As long as you are showing movement, you are bargaining in good faith. And PERB itself recognizes this.

It is not always possible, because of the makeup of a group across the table, to reach a happy figure. You might be forced to call in a mediator. This can be due to many factors -- the lack of skill of your negotiator, the bullheadedness of the other side and the failure to get negotiations on the plane they should be. It is not always possible to avoid impasses. I would be very silly to sit here and say anything different. I believe that through the way you handle the negotiations, the way you present your case, the arguments you use, and the preparation of your material, you can avoid a great deal of trouble. But you just can't sit there either and say, "this is it and we are going no further," or you will have an impasse.

Question: Mr. Russell, this morning we discussed this topic of management and budgets, about the administrators handling the management of this sort of thing and then comments came along regarding the teacher's involvement. If teachers became involved in the alternate courses of action in setting up courses for the students, would it not then appear that they are getting close to an item that would be a negotiable item, that they would attempt, at least entertain the idea of presenting different kinds of ways and methods that teachers could be involved in planning programs and this would be part of the program? Do you see that coming? Do you see a trend? Do you see any concern over this?

Mr. Russell: I can only speak for myself as an individual Board member. I do believe in the prerogatives of management and I think that this is something that our Board itself has taken a position on. The Board has the right to manage.

Industry feels the same way. They would never sit with you at a table and let you tell them how they can manage their operation. You might be able to point out a suggestion, but I will tell you right now, they will tell you to mind your own business when it comes to you telling them how to run their own business. I don't feel that the school system should be any different.

Question: In managing industry, the managers hire certain specialists who can advise them how to proceed and how to reach their goals and objectives. I find an analogy that the teacher can be counseling to the Board in determining various kinds of programs.

Mr. Russell: I might add that in our own district we have set up what we call an evaluation programs committee.

This is strictly advisory. The teachers meet in this committee along with administrators, but the teachers themselves are in control or in charge of the committee. They can at the end of their year, or during the year, submit recommendations upon courses, subjects or anything else. The Board is not bound by them. They first submit them to the chief school officer for review. If he feels that they have merit then they are brought to the Board, but we do manage it in this way.

We have department heads, co-ordinators and others to help us bring out the best in the school system. I'm not saying anything against this. I'm saying it rests with the Board.

Question: What do you say is the agenda for the first confrontation -- not a confrontation -- the first negotiation session?

Mr. Russell: To understand your question -- what might be your first problem?

Question: What items should be covered in the package itself? In that first meeting how do you go about it?

Mr. Russell: I think a proper approach would be to try to get negotiations on as broad a base as possible, to get away, if at all possible, from the personal angle and develop, if you can, a kind of trust there. One of the procedures that I follow in negotiations, and it is commonly followed, is to lay out to the other group your thinking of the total negotiations, the fact that you are hoping that these negotiations will proceed smoothly. That you hope they will understand that the Board must consider the public and the limits that they are bound to. You lay out a background. After you have tried to establish a friendly attitude across the table and you have listened to them in return, you develop the guidelines that you will follow for your meetings as to time, subjects and perhaps at this point an agreement on these. If there is any difficulty with a subject, table it.

Your first meeting is an establishment of the good faith and the type of procedures under which you are going to work. You start at this point to develop once again the thoughts and topics that you are going to present and how you are going to present them.

If possible, stay away from a fixed agenda. It confines you. If you want to get off a particular subject, you must have enough items available to give you room for movement.

Question: Is it not conceivable that at particular times it might be desirable at both sides of the table to go to impasse? I'm speaking now as using this as kind of a public relations measure?

Mr. Russell: I think you are treading on what I would call very dangerous ground. What you are saying in effect is that you have not been able to talk it out, you haven't been able to work it out, and therefore, what you are doing is turning the problem over to a third party.

Now, if you have followed some of the results and decisions and suggestions brought up by these third parties I think you would think twice because some of them have been way out in left field. In fact, there was one a year ago around New York City -- I think it was on the Island -- where this man came in with a salary schedule that was totally unacceptable. The teachers latched on to it. They took it to court and they finally got a judge who ruled on it, and the district had to pay it even though it was beyond their means. When you say would it not be in the best interest, I think it is very dangerous to try and look to this as a solution for any problem that you do have. If you can, talk it out and work it out.

Question: I was thinking more in the line of having reached a certain point of agreement with the other side of the table, but you might have a rough time selling this to the public.

Mr. Russell: It may be as you call it, it may be a method of selling it to the public, but then again aren't you in there to represent the public? Aren't you in there to represent them to the fullest? Let's not kid ourselves. It is part of a total budget and the budget goes back to the public. You may think that you have a real good deal, but the public may not think the same way. And they may reject it.

And don't forget what they do reject is not what you have negotiated. They are only rejecting actually the services to the people themselves, such as adult education or recreation. So basically, I very honestly would be inclined not to adopt this type of attitude.

Question: Do you believe that all of the NLRB rulings will eventually apply to this Taylor Law that they are now entering into this phase of collective negotiation?

Mr. Russell: The NLRB rulings being applied to PERB and its background? I think in a great many cases in a sense they are. They are using and have used a lot of these rulings as a background for determination of their position in what they call bargaining in good faith and the efforts that are being made, the election procedures, percentages, and this thing. They are all a handdown. The Taylor bill was basically constructed on the federal law and then with implementation by the NLRB.

Question: The law itself is only procedural?

Mr. Russell: Right. They are following this type of procedure. I think you see it in the election procedures and everything leading up to recognition more than anything.

Question: Do you feel that the news coming from Albany this year will have much effect on the negotiations of the teachers and other employees?

Mr. Russell: It is only a personal opinion once again. I believe that it is going to have an effect on negotiations in respect to boards themselves in what they feel that they are going to be able to put in a package and present ultimately to the public in a tax increase. I think it will have a deterrent effect on the teachers when they see that your ceilings are not going up and there will be financial trouble. In our district we are hoping that it is an error and we hope that the ceiling is going to go up to eight hundred. So definitely it can have a bearing from both sides of the table. I think the teachers have to be made to understand this. But, let's not kid ourselves. They know what the score is as well as any of us.

Question: Mr. Russell, as a Board member, what do you feel about binding arbitration?

Mr. Russell: I am definitely against binding arbitration. I have gone through this in labor negotiations. I can bring you a thousand comments about binding arbitration whereby a labor dispute, a dispute of any type, has been submitted to binding arbitration, and after you have gotten the arbitrator's decision both sides sat there and said, "Was this fellow in the same room with us listening to what we had to say?"

Under binding arbitration you are bound to the decision. Under advisory arbitration you have a chance if it is way out of line to reconsider it and don't have to adopt it. And that goes for either side.

Question: You mentioned that negotiations were kind of a move between both parties where they tried to move together.

Mr. Russell: Yes.

Question: In many school districts there is a tax ceiling where you can't go higher if you wanted to. And if you were faced with a position such as this where you have a salary proposal on one end and no money to provide for them, what would be your opinion on something like this?

Mr. Russell: I think what you are faced with here is the big city proposition in many cases. If you negotiate something and if there is no money to pay for it you are in real trouble. In this position you only have one alternative and that is to go back to the controlling fathers and see if it is not possible to get more money in that budget.

I don't know of any other answer to it. If you negotiate in good faith and the Board is willing to grant in good faith, then I think it is incumbent upon the city fathers controlling the purse strings to honor that commitment. I know of no way that you can force it. If they refuse to provide the money I think we all know the answer: we are in trouble. And you can't blame the other side at this point. You can't blame them for taking this type of attitude and position, but really you pose a very rough one because somebody else is controlling the purse strings.

The real answer is to get back to those that do control the purse strings and see if you can't have something done about it. To negotiate and negotiate in good faith and then have it jammed down your throat by saying, "we can't do it", is grounds, I think, as far as the teachers are concerned or the other groups for taking a very different look at the picture.

Question: Just one more thing. I'm talking now of an independent city school district where the Board does not have to depend on the Council for the budget, but are limited by law to a tax ceiling.

Mr. Russell: You are limited --

Question: In other words, the purse strings are controlled by the City Board of Education, but the law that the state has now imposed upon us says we can't go any higher as far as the tax levy is concerned. In the City of Buffalo this would be true where they are dependent upon the Common Council. In the City of Batavia we don't depend on the City Council.

Mr. Russell: This is a situation which I am not familiar with. Until I have more background on the workings of it I wouldn't attempt to give you an honest answer.

Question: I just wonder of the movement. How can you move?

Mr. Russell: You are stuck. You are really stuck. I would hate to be put in this position. It is the same thing as sending a negotiating team on negotiations and telling them they can give this much and when they come back vote it down. It is the same type of situation. If you don't have any money, how are you going to negotiate?

Question: In our district we have decided it is not the part of the Board members to sit on a negotiating team. Could you react to that point?

Mr. Russell: I can agree with you wholeheartedly in one respect. It depends once again on the makeup of your team decided by the Board.

Now, it all depends what you are talking about. If you decide in your district that none of the Board members themselves have the qualifications to lead in negotiations, you would be very silly to have a Board member act as chief negotiator.

Question: We have one that's an expert.

Mr. Russell: We are saying your district decided not to have a Board member. What are the reasons for it? Is it a factor of time? It could be many factors here. I'm not trying to qualify this. I'm trying to go over the whole situation.

While it would not pay to have a Board member as chief negotiator without experience, it could be very helpful to have a Board member sit on that negotiating team to act as a liaison person for communications with the Board.

Too many times you put a team in there without a Board person present and what happens? A negotiating team comes back to the Board itself and they are trying to tell them what's happened, some of the problems that they faced. And what verifications do they have? None whatsoever. Depending on the Board itself, you might have a Board that says at this point, "You couldn't have had any trouble like that. You are trying to string us along."

There can be many factors here. This is why I say it is desirable to have a Board member sit in negotiations if only for liaison and communications with the other Board members. This man can ease a lot of rocky roads for the committee in explaining some of the problems and maybe even the approach of impasse to the Board. They will accept his word and his knowledge of the fact because he's been there first-hand.

Now, you know yourself you are not always too willing to buy second-hand information. This is human nature. Even though your Board has not put a Board member on the committee, it is worthwhile to have one.

Question: The viewpoint is this: Except for furnishing the money, the real problem is with the negotiating group, so why should the Board interfere with Administration?

Mr. Russell: They are not interfering. They are responsible to the public. They are the ones that have to stand up there and say, "We advocate this budget. And this budget has so much in increases." And the public wants to know what the increases are. So they do have a definite part. The administration themselves, they have to administer the contract and the workings of the school, but remember once again they work for the Board. So how can you eliminate them?

CLASSIFIED PERSONNEL STAFFING

Presented by: Dr. James B. Boyd and Mr. Emerson W. Mitchell

Representing: Englehardt, Englehardt and Leggett, Educational Consultants

In this paper, consideration has been given to four major factors which must be considered in classified personnel staffing. These major factors are as follows: (1) the goals or policies of the organization, (2) the numerical adequacy of staff, (3) the kinds of jobs to be performed, and (4) the in-service supervision and evaluation of personnel.

Policies and Goals

One of the first factors which must be considered are the basic goals and policies of the organization with respect to classified employees. For example, some school systems provide only minimum custodial care and maintenance on buildings, preferring to let them become physically obsolete. Another problem occurs when principals are little more than record keepers and disciplinarians. They then spend much of their time in record keeping and administrative tasks which can be handled in their office, because they are given inadequate secretarial help.

Unfortunately, most such situations are simply due to attitudes which have developed over a period of time among board members. Many board members whose districts practice these implicit policies would be shocked if their actions were interpreted in terms of explicit policy. The greatest protection against short-sighted board policy with respect to classified personnel is the systematic development of positive written statements with respect to selected areas of the school program.

In a similar vein, it is becoming increasingly important to spell out the educational goals of school systems in explicit and specific terms. While this is of prime importance to instructional personnel, it is also important to school business officials who may be asked to develop program planning budgets and cost/effectiveness analyses.

In the personnel area, a clear understanding of the goals of the organization is absolutely necessary. We know that the most productive and effective employees are generally those who find their personal goals are in harmony with the organization's goals. For example, a custodian who expects the youngsters to place chairs on desks at the close of school to help speed his cleaning is not going to be a satisfied worker in a system which considers that it is not a proper responsibility for children to assist in certain custodial tasks.

Numerical Adequacy of Staff

The numerical adequacy of staff is also related to basic goals and policies of the organization. Comparisons with other school systems are valuable but must also be made in terms which reflect basic policy. For example, a school district which handles nearly all of its own painting, plumbing, carpentry and electrical work will have a much larger maintenance personnel staff than will one which uses private contractors for all of this work. There are also more subtle contrasts similar to the example just given, such as a school system which has a painting staff for interior work and contracts all outside paint work. In short, comparisons are useful but must be interpreted with some flexibility.

One of the commonly used comparisons is found in the January issue of

School Management Magazine. The "Cost of Education Index" is a regular feature each year. To develop it, a sample of school systems across the country is requested to supply selected budget information. This is tabulated in a form which permits some rough comparisons. To get cost comparisons secondary pupils are weighted by a factor of 1.3; to get staffing level comparisons, secondary pupils are weighted by a factor of 1.1.

The following tables show trends in staffing during the past four years. The number of secretaries and clerks per 1,000 staffing pupil units has risen rather steadily. The national median figures have moved forward 36 per cent in the four-year period (Table 1). The regional medians, which started higher, have moved forward 31 per cent in the same period. It is surprising they have not moved forward even faster. In Staffing the Schools,* McKenna pointed to the strong relationship between high numbers of clericals and schools judged to be of high quality. In fact, he pointed out that highly adaptable, high expenditure districts typically employed about nine clericals per 1,000 pupil units, a figure well above the top tenth point in the selected sample shown in Table 1.

The numbers of operations personnel have remained relatively stable during this same period. The medians rose four per cent nationally and seven per cent in the region. (See Table 2). The relative numbers of maintenance personnel moved forward rapidly (Table 3). The national median rose 24 per cent and the regional median rose 69 per cent.

Taken as a whole, the total of all classified employees is generally rising.

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*Staffing the Schools, Bernard McKenna, Bureau of Business Publication, Teachers College, 1965, pp. 48-49.

The national median rose 17 per cent and the regional median about 19 per cent (See Table 4). It is also interesting to compare the median figure for classified employees in the nation with the median figure for the total number of school employees. The figure for classified personnel is about 24 per cent of the figure for all school personnel. If the top quarter figures are compared, the corresponding percentage is 28 per cent. When the top tenth figures are compared, the corresponding figure is 31 per cent. While a precise conclusion is elusive, it is probable that well-staffed systems have a higher percentage of classified employees than moderately staffed systems. This is logical, for budgeting an adequate number of professional personnel is probably the basic policy problem of "average" districts. As a result, an adequate number of classified employees are given a lesser priority in such districts.

Table 1

SECRETARIES AND CLERKS PER 1,000 STAFFING PUPIL UNITS

	Years	Median	Top Quarter	Top Tenth
Nation	1965-66	3.26	4.77	6.67
	1966-67	3.53	4.96	6.43
	1967-68	3.95	5.44	7.02
	1968-69	4.42	6.00	7.90
Region (New York, New Jersey, Pennsylvania)	1965-66	3.90	5.58	7.67
	1966-67	4.57	5.71	6.83
	1967-68	4.78	6.25	7.51
	1968-69	5.10	6.30	8.04

Table 2

OPERATION PERSONNEL PER 1,000 STAFFING PUPIL UNITS

	Years	Median	Top Quarter	Top Tenth
Nation	1965-66	5.10	6.28	7.74
	1966-67	5.19	6.37	7.60
	1967-68	5.19	6.44	7.69
	1968-69	5.30	6.69	8.15
Region (New York, New Jersey, Pennsylvania)	1965-66	6.19	7.57	9.09
	1966-67	6.19	7.10	8.86
	1967-68	6.37	7.78	9.27
	1968-69	6.62	8.04	9.37

Table 3

MAINTENANCE PERSONNEL PER 1,000 STAFFING PUPIL UNITS

	Years	Median	Top Quarter	Top Tenth
Nation	1965-66	0.76	1.43	2.16
	1966-67	0.82	1.40	2.07
	1967-68	0.91	1.56	2.24
	1968-69	0.94	1.60	2.33
Region (New York, New Jersey, Pennsylvania)	1965-66	0.62	1.23	1.97
	1966-67	0.74	1.36	1.90
	1967-68	0.94	1.48	2.03
	1968-69	1.05	1.63	2.07

Table 4

CLASSIFIED PERSONNEL PER 1,000 STAFFING PUPIL UNITS

	Years	Median	Top Quarter	Top Tenth
Nation	1965-66	13.46	18.31	23.87
	1966-67	13.37	17.44	21.63
	1967-68	15.27	19.84	25.91
	1968-69	15.78	20.73	26.19
Region (New York, New Jersey, Pennsylvania)	1965-66	13.71	20.39	26.89
	1966-67	13.60	17.53	22.68
	1967-68	16.34	20.39	27.66
	1968-69	16.33	20.94	27.05

When one examines the personnel expenditure picture, it is obvious that in terms of per cent of net current expenditure about the same percentage is being spent now as four years ago for central office clerks and secretaries, custodians and maintenance personnel (See Table 5).

However, there has been a significant rise in personnel expenses for instructional clerks and secretaries. In part, this appears due to recognition of their value to the instructional program and in part, to their inclusion in the funding of many private and federal projects. The fact that maintenance costs take about the same percentage of the budget, while the maintenance employee ratio is rising, points toward a reduction in contract services and a greater proportion of dependence upon regular staff members in this area.

Next, consideration should be given to the kinds of tasks which classified employees perform. In the next section, a detailed description of office personnel jobs will be considered.

Table 5

SALARIES PER 1,000 EXPENDITURE PUPIL UNITS

(Per Cents are Per Cent of Net Current Expenditure Same Year)

Salaries	1957-59 Av.	1964-65	Per Cent	1965-66	Per Cent	1966-67	Per Cent	1967-68	Per Cent	1968-69	Per Cent
C. O. Clerk and Secretary	3.30	4.20	1.1	4.40	1.1	4.95	1.1	5.45	1.1	6.18	1.2
Instructional Clerk and Secretary	3.10	5.00	1.3	6.40	1.6	7.50	1.7	8.00	1.7	9.97	1.9
Custodians	14.70	20.30	5.4	20.90	5.2	22.95	5.3	24.75	5.3	26.26	5.1
Maintenance	2.20	4.05	1.1	4.15	1.0	4.70	1.1	5.50	1.2	5.51	1.1

CRITERIA FOR SELECTION OF OFFICE PERSONNEL - A CASE STUDY

Any discussion of job descriptions and delineation of job description content must be preceded by some general statements of an explanatory nature. The consultants feel strongly that the present job titles are fundamentally unrealistic and do not reflect basic types of endeavor. Further, there are inherent in the present classification arrangement some fallacies based on assumptions that seem to the consultants to be the result of traditional thinking. We take exception to the title of "Educational Secretary." We do not think that this is a descriptive term which should be applied to clerical and secretarial personnel.

Secondly, we believe that in some instances people are classified with a secretarial title who are not in the strict interpretation secretaries at all.

Thirdly, there are some titles missing, even at the present level of operations. This will become more acute as the proposed computer program advances.

Preliminary to a listing of the proposed job title revision, there are some further general statements which must be made.

1. An administrative secretary is the secretary to an administrator. Her duties and responsibilities should reflect the overall connotation of the job which she does to serve this administrator.

2. Employees who do primarily record-keeping work, even though there may be some typing involved, certainly should not be classified as secretaries.

3. Individual departmental functions having to do with a particular discipline require in general a different type of job description in the case of the secretary in that department. As will be seen from the following listing, we have instituted a position entitled "Departmental Secretary."

A revised list of job titles, with explanatory comment, is presented herewith.

Administrative Secretary to the Superintendent

This title is unique within the school system and should be specifically related to the incumbent's responsibility to the chief administrator of the school system.

Administrative Secretary

The secretaries reporting to the following personnel should carry the title of "Administrative Secretary":

1. Assistant Superintendent of Schools
2. Senior High School Principal
3. Junior High School Principal
4. Principals of the elementary schools
5. Business Manager

All these positions, in the opinion of the consultants, are of equal importance to the long-range progress of the school system and in their respective rights have equal responsibilities. It is recognized that this is a departure from the present classification, in that the elementary school secretaries are not presently classified in this fashion. However, we believe that the secretarial responsibilities in connection with the administration of an elementary school are fully comparable to the other designations under this caption. The elementary school secretary, to put it plainly, functions entirely on her own many times, without direct supervision, and is in the position of having to make independent judgments relating to students, parents, teachers, and other individuals outside the school system. This calls for a high degree of judgment, tact, and understanding of people.

Departmental Secretary

In general, departmental secretaries work under the direct supervision of the department head and, although independent judgment is required to some degree, the consultants do not feel that the independent judgment factor is a strong one in this instance. However, it should be recognized that a competent departmental secretary must, through experience and/or training, be knowledgeable in a specific discipline. The departments involved in this category of classification include psychology, curriculum, personnel, buildings and grounds, and other special functions.

Departmental Secretary - Guidance

Registrar

This title is one which has been used in colleges and institutions of higher education for many years and is now coming into use in public school systems. It seems to be the most applicable title to use to describe the activities that have to do with student records in the junior and senior high schools. This is a supervisory position.

Assistant Registrar

This title is a nonsupervisory position and is involved with primarily the same type of record-keeping activities and contact with the student as that of the registrar.

Clerk-Typist

Accounting Clerk

PBX-Receptionist

* * * * * * * * *

The following titles do not now exist. However, hopefully they will come into being in the next six to eight months.

Computer Console Operator

Systems Analyst-Programmer

Key Punch Operator

Duplicating Machine Operator

* * * * * * * * *

Trainee

This title can be applied to any of the above designations and will carry a substantially lower labor rate. All educational requirements, personality prerequisites, and mechanical skills must be met to qualify for the position of trainee to any of these listed job titles. All trainees should serve an apprenticeship.

Supervision and Personnel Appraisal

Typical procedures for the supervision of personnel indicate that the bulk of all supervisory effort is devoted to people in their first year of service. It is suggested that supervision be expanded to include all personnel on a regular and systematic basis. It is of utmost importance that supervision not be thought of as inspection or a one-sided evaluation. There are several reasons for a move toward improved and expanded supervisory procedures -

- the importance of the continued professional growth and development of all personnel
- the advantage to the school system of the "Hawthorne Effect" or the extra effort put out by personnel when they know that what they are doing is being noticed
- the advantage of having close cooperative working relationships between personnel and supervisors concerning their roles and expectations

The objectives of the supervisory system are as follows:

a. To increase each employee's understanding of his duties and responsibilities by mutual establishment of specific long and short term goals

b. To identify and plan for appropriate assistance to the employee

c. To provide a systematic and periodic opportunity for clarifying job expectations and assessment of performance

d. To provide significant evaluations of achievement with respect to job goals

e. To improve the total role performance of the person being supervised

The processes which are followed in the supervisory system are as follows:

a. The appraisal of each person's performance is focused on his own individual growth and development. The person being appraised has an opportunity to participate with the person doing the appraising in defining goals and selecting means for their achievement. This is normally accomplished at a preappraisal conference. This would be summarized in writing, with a copy for the person being appraised and a copy for the personnel division.

b. The system by which relative success in achieving target goals is to be measured will be discussed as a matter of mutual concern between the appraiser and appraisee. This also occurs at the preappraisal conference. This would be summarized in writing, with a copy for the person being appraised and a copy for the personnel division.

c. Attention in the evaluation will be focused primarily upon agreed goals. This gives the person being appraised the security of knowing and being able to do something specific about the improvement of his performance. It also provides the appraiser with a specific set of items with which to be primarily concerned.

d. Visits and conferences would be held as necessary through the appraisal period.

e. A conference would be held at the close of the appraisal period for the specific purpose of reviewing the relative success in meeting the set goals.

f. A written summary of the appraisal should be prepared with one copy for the person being appraised and a copy for the permanent personnel records.

Those areas which should be considered for performance appraisal include:

a. Skills in the job field.

b. Inservice growth.

c. Adult relationships.

d. Personal qualities.

The frequency of appraisal should vary according to relative need.

An appraisal review committee headed by the Assistant Superintendents should review all appraisals.

Personnel Department

Increasing attention should be given to the organization of a personnel division within the organization. A review of the work of typical personnel departments reveals that primary responsibilities are in the area of professional personnel. Without diminishing the importance of this function, it is suggested that all personnel matters for both certificated and noncertificated employees be channeled through a single division.

One of the most crucial areas affecting the quality of education is the ability to recruit, select and retain highly qualified certificated staff members. A personnel department should be active in this area.

It is also necessary to systematize the recruitment and selection process for all noncertificated personnel. This activity is typically carried on at present by people who are not trained in personnel areas, but who are specialists in their particular fields of endeavor.

There is usually no person on the staff whose professional training and experience satisfactorily meets the needs of the Board of Education in the area of negotiations, personnel contracts and agreements. This role will need to be filled in the future, both for assistance during negotiation procedures and for interpretation of contract agreements including follow-through on grievance procedures.

There is usually no single person or unit responsible for the overall system of evaluation of the services of all employees of the school district. Responsibility for systematizing and organizing efforts in this area could be centered in the personnel department. It is obvious, of course, that actual performance appraisals will involve principals, assistant superintendents of elementary and secondary education, division heads, and other administrative personnel.

FRINGE BENEFIT ANALYSIS

Introduction

John Bauer, President of ASBO,
Western New York Chapter

Good afternoon. The cost of fringe benefits has been a hidden cost in many of our school budgets for a long time. As more benefits are obtained by school personnel, this cost becomes an important factor in budgets, which of late have been having increasing difficulty obtaining citizens' acceptance in some of our New York State school districts.

Last spring, several school superintendents requested that a more comprehensive fringe benefit study be undertaken by the Western New York School Study Council. A meeting of superintendents and Study Council staff members was held to discuss this topic and others relating to the annual Salary Study publication. The recommendation of that meeting was to seek additional data in the area of fringe benefits actually existing in 1968-69 for school personnel.

At the same time, a working committee of the Western New York Chapter, ASBO composed of Richard Burdette - Alden, James Dixon - Maryvale, Walter Janik - Sloan, and Fred Vollmer - Cleveland Hill was formed by the Association whose membership also was interested in this area. A questionnaire was constructed as a means of getting more data. The necessary plans were begun in November 1968 to produce a questionnaire, to solicit from all schools in western New York the information desired; and to gather and consolidate the information obtained into a document which would be printed and in your hands by January 15, 1969. We appear to have met this deadline, thanks to the efforts of the members of the working committee and the Study Council staff. Their cooperative efforts have resulted in a comprehensive document that should be of immediate value. This endeavor may well be a continuing effort in the coming years as cost of fringe benefits are carefully scrutinized by both employee groups and the tax paying public.

At this time, I would like to present Mr. Charles Nephew, the Assistant Executive Secretary of the Study Council, who will report on the findings of the first section of the study which examines fringe benefits being currently offered to school district administrators.

ADMINISTRATIVE PERSONNEL

Charles T. Nephew
Assistant Executive Secretary
Western New York School Study Council

The term "fringe benefits" was first applied to nonwage payments by the United States War Labor Board in 1943. Since at that time the Board could not allow direct wage increases, it encouraged companies to grant indirect benefits to employees. Today, in both the public and private sector, these nonwage payments are numerous. In a study of fringe benefits in public schools conducted a few years ago, Kleinman listed more than 120 fringe benefits, which ran the gamut from accident insurance coverage to the furnishing of work clothes at employer expense.

As we enter into another round of negotiations, it has become increasingly important that both school boards and their employees become aware of the types and costs of fringe benefits. What do they cost? What are they worth? Can resources allocated to fringe benefits give greater return to employees than an equal amount of resources placed into salaries? These and many other questions must be answered so that fringe benefits are treated in a perspective balanced with salary.

The Fringe Benefit Study is a beginning step in the assessment of fringe benefit policy and cost in the Western New York area. The purpose of this study has been to provide participating school districts with a guide for comparison among districts included in the survey. I should like to point out that the best use of the figures in the 140 page report can be made by districts using the data for self-analysis or selective analysis.

Since the time allotted to us here today will not allow for extensive analyses of the fringe benefits and their costs to school districts, we have decided to only present some of the summary information which is presented in the Fringe Benefit Study. My particular responsibility will concern itself with a brief analysis of the types and costs of fringe benefits for administrative personnel. In this study "administrative personnel" has been defined to include chief school officers, associate and/or assistant superintendents, co-ordinators, directors or supervisors with system-wide responsibilities, administrative assistants or interns, principals, assistant principals and others that may be included in the administrators' bargaining unit.

Of the sixty-five districts reporting fringe benefits policies, only two districts reported no financial data. Districts from all eight counties in the Western New York region participated and reported data used in the study. Cattaraugus County school districts, with eleven out of fourteen or 79% reporting, had the best response rate. They were followed closely by Erie County schools - with 23 out of 30 or 77% reporting fiscal data on administrative personnel.

Table 1 shows both the range and median costs of fringe benefits for administrative personnel in Western New York districts. The distribution of these total costs range from a low of $2,045 to a high of $4,850. The median total cost per administrator is $3,507. The analysis of these total costs also revealed that half of the districts reported total fringe costs between $3,167 and $3,898. The mean or average cost was $3,507.

Table 1. Total Cost of Fringe Benefits Per Administrator in Western New York School Districts, 1968-69

Number of Districts Reporting	Low	25th Percentile	Median	75th Percentile	High	Average
62	$2,405	$3,167	$3,428	$3,898	$4,850	$3,507

Although the Fringe Benefit Study reports policies and costs for a wide range of benefits, the summary table reveals that the bulk of the total fringe costs are found in the following benefits:

1. Hospitalization
2. Professional Meetings
3. Retirement
4. Social Security

The range and median costs for these benefits are reported in Table 2.

Table 2. Cost Per Administrator for Selected Fringe Benefits In Western New York School Districts, 1968-69

Type of Benefit	Number of Districts Reporting	Low	25th Percentile	Median	75th Percentile	High	Average
Hospitalization	53	$ 8	$ 114	$ 135	$ 241	$ 300	$ 166
Prof. Meetings	53	100	150	200	283	1043	240
Retirement	60	1645	2474	2693	2914	3723	2717
Social Security	59	230	343	343	359	572	352

Fifty-three out of sixty-five districts reported per administrator costs for furnishing hospitalization benefits. The range of costs was from $8 to $300 per person. The median cost per person was $135. Fifty percent of the districts reported per administrator hospitalization costs between $114 and $241. The mean or average cost is $166.

Professional meeting costs were reported by 53 of the 65 districts responding to the questionnaire. The range reported was from a low of $100 to a high of $1043 per administrator. The median cost was $200. Half the districts reported per person professional meeting costs between $150 and $283. The mean or average cost reported was $240 per administrator.

The single largest fringe benefit cost to school districts is the money each district must contribute to the New York State Teachers' Retirement System. At the present time, the retirement percentage has been set at 19.2833% of professional salaries. Since the cost of this benefit depends upon both the salary and the retirement option of an administrator this per administrator cost will vary from district to district. Sixty districts reported costs for retirement. The cost per administrator ranged from $1645 to $3723. The median figure reported was $2693. Half the districts reported per administrator retirement costs between $2474 and $2914. The mean or average cost was $2717.

The second largest fringe benefit cost paid by local school districts is the employer's social security contribution rate. Effective January 1, 1969, this rate has been set at a maximum of 4.8% of $7800. Of the 59 districts reporting a per administrator cost for administrators, half of the districts reported amounts between $343 and $359. The median cost was reported as $343 and the average cost $352.

In summary, it would appear evident that fringe benefits and their costs are of some magnitude in Western New York schools. Knowing what similar school districts are doing offers one method of evaluation. Knowing what similar districts are doing can be helpful in determining what might be done to compete with them. Seeing what is being done by most of the schools in the eight-county area of Western New York will hopefully result in a more careful analysis of one's own fringe benefits program. Each school district should have a priority and rationale for the fringe benefits which it will provide. We hope that this study will be of assistance to all school district personnel in both of these areas.

TEACHING PERSONNEL

James R. Spengler
Study Coordinator
Western New York School Study Council

This part of the presentation deals with the fringe benefits for teaching personnel. Teaching personnel includes all classroom teachers, department heads (responsibility in one school), nurse teachers, guidance counselors, dental hygienists, remedial teachers, and any others included in the teacher bargaining unit.

The salaries of teachers in any school district account for a major portion of the operating budget. All of the pay of the teaching personnel does not appear on the budget line item titled salaries, however.

The Fringe Benefit Study - 1968-69, is an attempt to draw all of the costs of fringe benefits together from their various places in the budget. With this data, a more accurate picture of the cost of a teacher can be computed.

Table 3. Total Cost of Fringe Benefits per Teacher in Western New York School Districts, 1968-69

Number of Districts Reporting	Low	25th Percentile	Median	75th Percentile	High	Average
64	$1464.34	$2070.00	$2234.84	$2379.75	$3098.38	$2247.78

Table 3 shows the range and median cost of all benefits in the 64 districts in Western New York reporting total benefits to teachers. The Range is $1464.34 to $3098.38. Fifty percent of the districts pay benefits between $2070.00 and $2379.75. The median cost of fringe benefits to teachers is $2234.84. If the median cost of fringe benefits is added to the median salary paid to teachers in Western

New York, drawn from data published in the Salary Study, 1968-69 by the Western New York School Study Council; then a median actual cost of a teacher emerges.

Table 4. Median Actual Cost per Teacher in Western New York School Districts, 1968-69

Median Fringe Benefit Cost	Median Salary	Median Actual Cost/Teacher
$2,234.84	$8,860.00	$11,094.84

Table 5 reports a selected group of benefits for teachers in Western New York.

Table 5. Cost per Teacher for Selected Fringe Benefits in Western New York School Districts, 1968-69

Type of Benefit	Number of Districts Reporting	Low	25th Percentile	Median	75th Percentile	High	Average
Hospitalization	60	$ 22.67	$ 84.00	$ 114.57	$ 170.00	$ 400.00	$ 131.03
Prof. Meeting	55	4.93	16.50	23.00	35.55	157.17	31.22
Retirement	63	1166.21	1439.00	1542.00	1667.96	2250.00	1537.76
Social Security	58	250.00	314.00	332.91	347.00	377.68	310.00
Sick Leave	64	70.00	122.70	157.70	174.60	320.00	154.68

Costs of other benefits are reported in the Fringe Benefit Study but those listed in Table 5 represent 96.8 percent of the fringe benefits based on the median cost per benefit divided by the median Total Cost of all benefits.

Hospitalization costs, reported by 60 districts represents 5 percent of total fringe benefit costs. The cost per person of professional Meetings for Teachers represents 1 percent of the total. New York State Teachers' Retirement, as expected, makes up 69 percent of the fringe benefit costs with Social Security adding another 14.8 percent. Sick leave costs account for 7 percent of the total fringe benefit costs and all the other benefits such as Personal Leave, Condolence Leave, major medical insurance beyond hospitalization, life insurance and workmen's compensation make up the remaining 3.2 percent of the total fringe benefit cost.

In examining the data on hospitalization, it is interesting to note that 36 districts or 57 percent of those reporting pay the total single rate for all teachers, married and single. Eighteen districts or 28.5 percent of the districts pay 100% of the hospitalization cost for both married and single teachers and 16 districts or 25 percent pay hospitalization for retired teachers.

CLASSIFIED PERSONNEL

Robert F. Komorowski
Assistant Study Coordinator
Western New York School Study Council

The area to which I have been asked to address myself today, is the area of the Fringe Benefit Study concerned with Classified Personnel. The Fringe Benefit Study contains eleven sections which deal with Classified Personnel; one general information section, five sections devoted to full time classified personnel, and five more dealing with part-time classified personnel. The General Information Section contains data pertinent to type of personnel employed in the school district, the district's definition of full time, length of the work day (school year and the summer), days of vacation per year, and also the paid holidays of the sixty-three reporting districts. The range for the paid holidays run from a high of fifteen to a median of nine to the low of six. Table 5 in the General Information Section C is devoted to the definition of the term family, as it is used in connection with condolence leave, for all personnel in the school district.

The remainder of my remarks shall be addressed to the data contained in Section D-H (Sections devoted to full time classified personnel).

Table 6. Total Cost of Fringe Benefits (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	High Cost	Median Cost	Low Cost
Custodial	60	$1687.00	$1069.00	$ 107.23
School Lunch	56	1369.80	661.60	68.56
Office	61	1384.97	888.87	313.77
Transportation	43	1677.00	906.42	102.12
Maintenance	37	1992.00	1299.00	80.00

In Table 6 you will note the wide variation in total cost. This is partially due to the fact that some of the reporting districts did not report a cost factor for all benefits listed. (e.g. District A reports a cost factor for six areas, while district B reports a cost factor for five of the same excluding a cost factor for retirement. We have reported the entire cost factor submitted by the school district; but there will be some discrepancy in the total cost factor due to the missing cost items.)

Please note the column in this table and in each succeeding table entitled Number of Districts Reporting. You will note that the numbers in this column for a specific type personnel will vary from table to table. Do not assume that information on only that number of districts can be found in the table describing that particular benefit. This number represents only those districts, which included a cost factor in their data on a particular benefit.

For your interest, you might wish to note the number of districts reporting employees in each category:

1. Custodial - 63 districts reported employing custodial personnel.
2. School Lunch - 63 districts reported employing school lunch personnel.
3. Office - 63 districts reported employing office personnel.
4. Transportation - 50 districts reported employing transportation personnel (the number included under full time does vary with the district definition of full time and part time, therefore some districts reported this area under part time personnel.)
5. Maintenance - 50 districts reported employing maintenance personnel (some districts included maintenance personnel with custodial personnel).

One must readily note the wide range in cost per employee per benefit. Using the maintenance area as an example, we note that the high cost is $1992.00 and the low cost is $80.00. This represents a difference in total cost of $1902.00.

Table 7. Cost of Hospitalization (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	High Cost	Median Cost	Low Cost
Custodial	59	$ 400.00	$ 102.20	$ 22.67
School Lunch	55	400.00	98.66	13.00
Office	60	400.00	92.00	22.67
Transportation	42	400.00	102.12	22.67
Maintenance	34	360.60	130.26	22.67

The wide range in cost spoken of in connection with the previous table is also very apparent in this table. In the school lunch area, the costs range from a high of $400.00 to a low of $13.00. The difference is $387.00. Although each area displays a wide range between the low and the high cost, the difference in the median cost for all types of personnel is only $38.26.

Table 8. Cost of Sick Leave (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	High Cost	Median Cost	Low Cost
Custodial	47	$ 311.00	$ 60.00	$ 5.00
School Lunch	35	311.00	50.00	6.00
Office	39	311.00	56.31	5.00
Transportation	28	311.00	66.66	20.00
Maintenance	21	311.00	56.13	9.25

Table 8 shows a comparison of sick leave costs. Again, note the range especially in the custodial and office categories. Again, despite the wide range in the individual area, the difference in median cost for all types of classified personnel is only $16.66.

Table 9. Cost of Workman's Compensation (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	High Cost	Median Cost	Low Cost
Custodial	55	$ 176.68	$ 79.00	$ 7.00
School Lunch	52	85.00	40.32	2.05
Office	56	128.35	10.00	5.44
Transportation	41	184.00	41.00	2.34
Maintenance	35	194.66	52.00	7.00

Table 9 reports the cost for workman's compensation. Note the difference in the range in the transportation area. The difference is $181.66. Although there is this great difference between the low and high costs in all categories, the difference in median cost for all categories is only $69.00.

Table 10. Cost of Social Security (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	Low Cost	Median Cost	High Cost
Custodial	58	$ 126.05	$ 239.80	$ 302.27
School Lunch	54	47.00	126.05	274.00
Office	59	126.05	204.10	293.30
Transportation	42	60.00	200.00	333.00
Maintenance	36	141.00	274.00	358.80

Table 11. Cost of Retirement (Per Person by Classification)

Type of Personnel	Number of Districts Reporting	Low Cost	Median Cost	High Cost
Custodial	52	$ 240.00	$ 618.25	$1098.00
School Lunch	51	100.96	357.27	889.66
Office	55	185.35	517.00	1124.00
Transportation	37	164.03	499.34	1058.00
Maintenance	33	294.28	741.00	1412.00

If one were to rank order the median cost of social security and rank order the median cost of retirement, the two categories will show a direct one-to-one correlation.

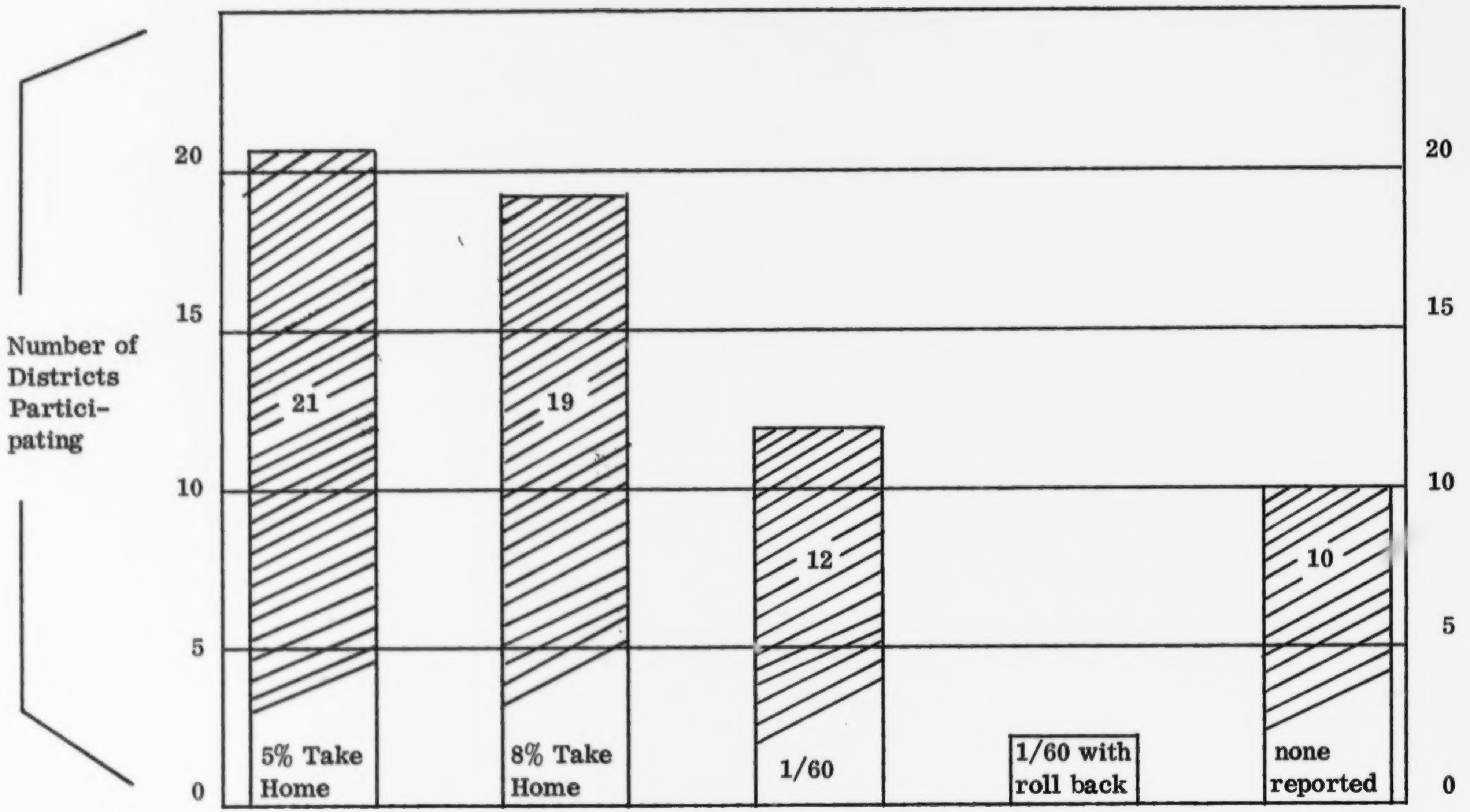
Chart 1 shows the type of retirement plan for classified personnel and the number of districts participating in each plan. Sixty-four districts responded to this area of the questionnaire. Twenty-one districts reported having the 5% take home plan; nineteen districts reported having the 8% take home plan; twelve districts reported having the 1/60 plan with back; and ten districts reported having a plan, but did not report the type.

After examining the data submitted, I would like to generalize using the cost of a specific benefit and its relationship to the total cost of fringe benefits.

1. It appears that approximately 10% of the total fringe benefit cost for full time classified personnel is expended on hospitalization.
2. Sick leave expenditures account for approximately 7% of the total fringe benefit cost.
3. Workman's compensation appears to represent approximately 4% of the total fringe benefit cost.

Chart #1

TYPE OF RETIREMENT PLAN FOR CLASSIFIED PERSONNEL AND NUMBER OF PARTICIPATING DISTRICTS



Number of Districts Reporting - 64

4. The amount expended on social security represents approximately 22% of the total fringe benefit cost.

5. As we know, the largest cost factor in the school district's total fringe benefit cost is retirement. The cost of retirement accounts for approximately 55% of the total fringe benefit cost.

In summary, we at the Western New York School Study Council would like to thank John Bauer and his ASBO sub-committee of Richard Burdette (Alden School District), James Dixon (Maryvale School District), Walter Janik (Sloan School District), and Fredrich Vollmer (Cleveland Hill School District) for their assistance in helping us prepare the Fringe Benefit Study questionnaire. We also wish to thank those members for their prompt response to the questionnaire, and their clarity of entries.

Since this is our initial attempt at a study of this nature, your suggestions, which would help to make this report more beneficial to local school districts, would be appreciated.

QUESTIONS AND ANSWERS

Question: How do you interpret fringe benefits?

Answer: Fringe benefits costs are costs to the district or to the taxpayer beyond the costs that are shown in a district's schedule. A salary may be seen as $15,000 but the impact to the district is more than $15,000 because to the salary one must add what I call the fringe benefit cost, retirement, hospitalization, sick leave, etc.

Question: How confident are you in the accuracy of the report?

Answer: We are confident of the data. If we felt something was way out we called. Now that we have experience, it will be a lot more clear and accurate. (With respect to the administrative personnel, the figures for the 25th and 75th percentile are perhaps a more accurate range. I would disregard the lows and highs. We only printed the information as you gave it to us.)

Question: In which section did you have the most difficulty?

Answer: Administrative personnel. We asked for the cost for sick leave for administrators. Administrators are not replaced so that there is no such dollar figure. We will have to make that question more definitive. One suggestion is that you might take the number of administrators absent even though there is no person taking his place. There is, however, a loss throughout the district. There might be some way of costing this item by taking the number of days that administrators were absent, getting a median cost to the district per administrator; times the days absent.

Question: I see a social security high of $572. If the school year was reported starting in July and included the school year starting from July, would you end up with this figure?

Answer: I personally feel that the figures on this cost are correct.

Question: I am stuck in the position of putting a cost on sick leave in our district. I have the idea that we are the high reported on sick leave. Would you include the fringe benefits on substitutes? If we took 1/200 of a salary, plus the social security and Blue Cross, would we be escalating our fringe benefit costs?

Answer: With respect to other reporting districts, I would assume that your sick leave costs would be higher than most if you included social security and Blue Cross in your total.

Question: Merit pay when we retire; do we get paid for unused sick leave days?

Answer: That would be reported under sick leave bonus in the Fringe Benefit Study.

Question: What about snow days?

Answer: This was on the questionnaire. Two (2) districts, out of 66 submitting data, reported that they don't expect a teacher at work.

Question: Do you have any plans to compare these fringe benefits to those in other agencies from the public sector?

Answer: We have begun to assemble data on this. Whether this will be done this year is questionable because we have some reservations on our figures.

Question: What was the percentage of total salary spent on fringe benefits for the school lunch personnel?

Answer: We don't have the school policy, but in going back, it seems generally to be about 20-25%. You have to be careful with the administrators. One may be making $14,000 and another $25,000. You will get a different percentage. The 17.5% looks like a reasonable figure.

Question: What is this sick leave bonus?

Answer: A bonus at the end or termination of service. Most are listed as this. A retiree gets credit for unused sick days. There are at least a dozen districts that have this policy.

Question: Do you have an idea of what retirement will cost this year?

Answer: The last we heard, it was 19.8%, somewhere around there. We have not seen anything on this in the legislative bulletins. It must be that they don't want that information out yet.

Question: Is that high social security cost of $572 correct?

Answer: During our tabulation we tried to catch the way out figures. Our own reaction was to use the 25th - 75th percentile figures range as a guide.

Question: If we had comparisons with other areas, e.g. Long Island, it would be more beneficial to our entire state.

Answer: When we first began work on this study, our initial step was to look around the country and see what other comparisons we could find. Apparently this type of study has not been attempted in the public sector. We were able to come near our requirements with the help of ASBO and chief school officers. Although we will want to change many things in future years, it is probably the most comprehensive study of fringe benefits done in the public sector.

APPENDIX

INTERIM REPORT

The Workshop had a registration of 156 persons representing 59 school districts in the western New York area. In addition, representatives of Boards of Cooperative Educational Services attended from Niagara-Orleans, Erie and Chautauqua Counties. The University of Montreal and the Department of Education of Toronto, Canada were represented. The distribution of attendance by titles is as follows:

Superintendents and Chief School Officers	32
School Business Officials	57
School Board or District Clerks	12
School Administrators (Principals, etc.)	9
District Treasurers	3
School Board Presidents	2
School Board Members	3
State University Personnel	20
Others (unclassified)	18

Participants returned 66 critique sheets and responded to the four areas of questioning as follows:

Question	Agree	Disagree
1. Topics Timely	66 (100%)	
2. Adequate Audience Participation	30 (45%)	36 (55%)
3. Adequate Facilities	52 (79%)	14 (21%)
4. Continue General Session followed by Interest Groups	66 (100%)	

Twenty-two additional comments were made and these can be classified as to Procedural (4), and Topical (18). The additional Comments are as follows:

Procedural

1. Better parking facilities.
2. Time too short - Session longer than one day.
3. Utilize smaller discussion groups.
4. Poll groups for topics.

Topical Suggestions

1. Continue negotiations problems.
2. Continue fringe benefit study.
3. More business topics instead of educational ones.
4. Budgeting procedures.
5. Methods of assembling data from bidding.
6. Educational Data Processing in business operations (accounting, budgeting, purchasing, etc.)
7. Modern materials in school plants.
8. "Red Tape" innovations in forms and procedures.
9. Encumberance accounting at spending authority level.
10. Streamlining records disposal.
11. Leveling out work load of school business official.
12. Job training or job coverage (too deep concept).
13. Reporting practices, Information data vs. Decision making data.
14. Evaluation of non-teaching personnel.
15. Opportunity to discuss local problems on an individual basis.
16. Keep more to local needs, not textbook ideas.
17. Add something on advanced machine bookkeeping.
18. Discussion on laziness and lethargy of personnel.